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## Near East/South Asia Report

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20 May 1983

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No. 2755

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INTERNATIONAL AFFAIRS

ARAB LEAGUE URGES TOUGHER U.S., EEC STAND AGAINST ISRAEL

LD221233 Tunis TAP in Arabic 1145 GMT 22 Apr 83

[Text] Tunis, 22 Apr (TAP)--The Arab League Secretariat General has issued the following statement:

The statement which the Israeli Government has issued through its prime minister, Menahem Begin, regarding its insistence not to withdraw from the Syrian territory of the Golan occupied in 1967 and the continuation of Israeli administration in this area, is in defiance to what was stated about the issue recently by the U.S. administration. It is also evidence of the fact that Israel is determined to foil all international efforts to establish peace in the Middle East.

While drawing international attention to the dangers of this Israeli policy in Lebanon and in the occupied Arab territories of the West Bank, Gaza and the Golan, the Arab League Secretariat General expects the United States to adopt a firm position and stop its political, economic and military support and aid to Israel which, beyond any shadow of doubt, is the reason for this Israeli policy which threatens not only peace in the Middle East but also the interest of the western states. The Secretariat also expects the EEC countries and the countries which still have relations with Israel to adopt a stand which will contribute to putting an end to this Israeli disregard of international laws and principles.

CSO: 4500/200

## INTERNATIONAL AFFAIRS

### BRIEFS

YSP SENDS CABLE TO PLF--The Secretariat of the YSP Central Committee sent a congratulatory cable today to Brother Tal'at Ya'qub, secretary general of the Palestine Liberation Front [PLF], on the occasion of the anniversary of the front's establishment. The cable reads as follows: The Secretariat of the YSP Central Committee warmly congratulates you on the occasion of your celebrating the anniversary of the establishment of your struggling front, and on this occasion on behalf of our party and Yemeni people, we affirm our fixed stance alongside the Palestinian revolution for the victory of the national cause of the Arab Palestinian people's struggle to return, self-determination and establish an independent state of their own national territories under the leadership of the PLO, their sole legitimate representative. We reaffirm that bilateral relations between our party and PLF are based on joint struggle against imperialism, Zionism and reactionarism in order to enhance and complete the role of our Arab people to realize their social progress and their democratic unity. [Text] [GF301744 Aden Domestic Service in Arabic 1500 GMT 30 Apr 83]

CSO: 4400/309



IRANIAN MEDIA COVERAGE OF 24 APRIL ANTI-TURKISH DEMONSTRATION

Communiqué Issued by Diocesan Council

Tehran ETTELA'AT in Persian 24 Apr 83 p 2

[Text] The Armenian Diocesan Council of Tehran announced: On the occasion of the 68th anniversary of the massacre of Armenians, religious services were held from 9 am today by Archbishop Ardak Manukian in the above-mentioned church [as published]. After the religious services, in accordance with a permit from the Ministry of the Interior, the Armenians of Tehran marched on the occasion of 24 April and at the end of this march, a five-point communiqué was issued.

In this connection, the headquarters for holding the memorial services for the martyrs of the Armenian massacre (24 April), selected by the Armenian Diocesan Council, sent a note to ETTELA'AT as a reminder of the 68th anniversary of the massacre of more than 1.5 million Armenians and asked the United Nations to take the appropriate steps in regards to this horrible crime.

This note, recounting the manner in which this crime took place in 1915 and offering documented proof of the premeditated action of the Ottoman government, announced:

The world must be reminded that the massacre of the Armenians (24 April), which has gone unpunished thus far, had a major effect on the massacre of the Jews and the Poles in World War II. Adolf Hitler, addressing his commanders in "Salzburg" on 22 August 1939, when he was issuing the instructions for the massacre of the Poles, said:

"Who talks about the massacre of the Armenians anymore today?" In another part of this note, we read: The United Nations was established as an assembly of civilized nations in order to listen to the cries of the people and make judgments based on law and justice. The United Nations claimed that it would act as an arbiter for national rights and human beings in resolving issues instead of resorting to force. The Armenian nation reminds the



United Nations that a moral force must act morally. The continuation of the present situation provokes a violent anger in more than 6 million Armenians, half of whom live in foreign countries. At the end of the note of the selected headquarters of the Armenian Diocesan Council we read:

The inhumane crime and its consequences still continue. The lands usurped by Turkey have remained unused and in ruins. The ancient cultural works of the Armenians have been destroyed in these foreign lands and the Armenians are actually threatened with the loss of their identity in foreign lands. As a result, the new generations of Armenians do not accept such injustice and are decidedly determined to regain their rights.

The Armenians are awaiting the action of the United Nations.

#### Religious Service, Protest March

Tehran KEYHAN in Persian 24 Apr 83 p 2

[Text] Tens of thousands of the Armenians of Tehran performed special religious services and marched in protest on the occasion of the 68th anniversary of the 24 April massacre of more than 1.5 million Armenians.

The Armenians of Tehran gathered in Sarkis Church on Nejatollahi Street at 9 am this morning, listened to a speech by his eminence, Archbishop Ardak Manukian, and performed prayers and worship. The ceremonies continued with religious and national songs and various groups from Armenian schools, societies and organizations of Tehran began their march, carrying placards, slogans and pictures of Imam Khomeyni, Grand Ayatollah Montazeri and President Khamene'i.

Along the route of the Armenians' march, slogans were shouted against the United States and its servants as well as slogans saying that the oppressed nations must be liberated from the claws of imperialism, Palestine will be victorious, Israel will be destroyed, Article 154 of the Constitution of the Islamic Republic is the hope of the oppressed, the genocide of the Armenians is a horrible stain on human history and the Armenians demand their rights concerning the ancestral lands. The marchers also condemned the imposed war of Iraq on Iran and violently condemned the recent barbarous attack of the supporters of Saddam on the martyr-nurturing people of Dezful and shouted: The barbarian crime of the functionary regime of Iraq against the defenseless people of the cities will not go unanswered.

Then, they gathered in the Church of Holy Maryam on Mirza Kuchek Khan Street and the resolution of the 24 April anniversary was

read. This resolution made reference to the premeditated massacre of 1.5 million Armenians by the government of the Ottoman Empire and their being driven out of their land and stated: The Armenians throughout the world are threatened with the loss of their identity. Their historical lands of several thousand years have been dominated by foreigners. The later governments of Turkey, supported by their imperialist masters who have now transformed the uninhabited lands of Armenia into NATO military bases, not only continue the massacre and violation of other rights of the Armenians but they stop at nothing in their effort to misguide world public opinion through falsifying historical facts.

The resolution continues that the annual gatherings of the Armenians are opportunities to once again raise the just demands of the Armenian people throughout the world and call to the attention of the people of the world to the debt they have to this suffering people.

The resolution also demands that the problems of the Armenians be brought up and investigated in the international meetings, especially the conference of non-aligned countries; that support be given for the just demands of the Armenians; that the report of the Human Rights Commission of the United Nations, which was prepared in connection with the subject of the massacre--its 30th paragraph recounts the massacre of the Armenians by Turkey--be published; that the occupied Armenian lands be returned to their rightful owners and that the Armenians be allowed to gather in their ancestral land; that 24 April be declared an official holiday for Armenians in remembrance of the massacre of the Armenians; that the Armenians be provided with access to the mass media in order to neutralize the historical falsifications of the government of Turkey; and that the people of the world be exposed to the facts.

Also, yesterday afternoon, religious services were held by the Armenians in Sarkis Church before the 24 April memorial building.

#### Resolution Adopted

Tehran JOMHURI-YE ESLAMI in Persian 25 Apr 83 p 2

[Text] News Division: Yesterday, the Armenians of Tehran marched in remembrance of 24 April 1915 from Sarkis Church to the Church of Holy Maryam on 30th Tir Street.

According to reports, the marchers were shouting slogans against the United States and the government of Turkey. This report also indicates that the march ended at 1:30 pm without incident. The law enforcement agents of the Tehran Police, several police

precincts and the Islamic revolution committees were present along the march route, cooperating with the marchers in maintaining order and preventing any kind of incident. The law enforcement agents also prevented the marchers from approaching the Turkish Embassy.

Another report indicates that along the route of the march, a communique was distributed by the council for the 24 April ceremonies explaining the events of that day.

Archbishop Ardak Manukian also spoke to the marchers in Sarkis Church on various issues, referring to the events of that day. At the end of these ceremonies, a five-point resolution was read and this march which had begun at 11 am ended at 2 pm. This resolution states:

The Armenians present in these ceremonies thereby mingle their voices with those of millions of Armenians throughout the world certain that the unjust chains of the world-devouring oppressors cannot possibly be broken except through the unity of the suffering and oppressed nations, and they raise their requests as follows:

1. That the issue of the Armenians be raised and investigated in the international meetings, especially the conference of non-aligned countries and that support be given for the rightful demands of the Armenians.
2. That the report of the Human Rights Commission which has been prepared in connection with the issue of the massacre--its 30th paragraph recounts the massacre of the Armenians by Turkey--be published.
3. That all occupied Armenian lands be returned to their rightful owners and that the Armenians be allowed to gather in their ancestral lands.
4. That 24 April be declared an official holiday for Armenians in commemoration of the day of the massacre of the Armenians.
5. That the Armenians be given access to the mass media in order to neutralize the historical falsifications of the government of Turkey and that the people of the world be exposed to the facts.

Assured that the government of the Islamic Republic of Iran supports the oppressed nations of the world in accordance with the Constitution of the Islamic Republic of Iran, and that it will itself take measures to implement the five articles of this resolution and also facilitate their being raised in the international and global gatherings, the Armenians present in the gathering of 24 April 1983 (4 Ordibehesht 1362) ratified and endorsed this resolution.

TURKISH PAPER: APRIL DECLARED 'MONTH OF REVENGE'

Beirut AZTAG in Armenian 24 Mar 83 p 1

[Unattributed lead article: "Turkey in Dread of April"]

[Text] If the international news services transmit a report tomorrow from Ankara that the daily newspaper HURRIYET has been forced to suspend publication, it would not at all be surprising.

The leaders of Turkey's military regime are empowered to suspend publication of HURRIYET for several months, because this daily newspaper...divulged a state secret on Tuesday. And the "state secret" is nothing other than mention of the month of April, which constitutes a symbol of the Armenian Genocide and the Armenian Just Cause.

And what an ironic coincidence! Precisely on the same day when a Turkish Foreign Affairs Ministry spokesman was announcing that the "instructions" given to embassies in various countries deal with taking preventive measures against "terrorist actions," HURRIYET, in a frank admission, spelled out the undeclared reason for this warning by the ministry spokesman. The newspaper practically stated in plain terms that the Armenian armed organizations "have proclaimed April the month of vengeance (up to 24 April)" for organizing actions against Turkish diplomats.

One might ask what secret meaning does April have, for Ankara to dictate "preventive measures" to its representatives abroad.... Why April and not some other month? Would one expect such an uncircumspect admission on the part of a press which meekly carries out the will of the Turkish Government, which totally denies the Armenian Genocide, practically an explicit admission accepting the significance of the month of April symbolizing the Genocide....

If the information made public in HURRIYET is "an act in violation" of the policy of Turkish state terrorism, it also contains imprecations against the Armenians.

The Turkish Government and the Turkish press, which acts as a mouthpiece of the former, repeatedly and tendentiously distort the struggle of the Armenians, when they depict it as an element of "international terrorism," ascribing to it the nature of actions motivated by the desire for "vengeance and retaliation."

The Armenian struggle has not pursued the objectives of criminal terrorism. The actions of the Armenian fighters, directed against the Turkish Government and its representatives, do not spring from motivations of "vengeance and retaliation," but are for the purpose of winning recognition for the just political and historical rights of the Armenians.

Recognition of those just and inalienable rights, the symbol of which today is the month of April, especially 24 April, which doom Turkey to a nightmare state of frantic alarm....

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CSO: 4605/43



## ISLAMIC AFFAIRS

### ICO CHAIRMAN DISCUSSES ROLE OF SCIENCE AGENCY

Jiddah 'UKAZ in Arabic 29 Nov 82 p 8

[Interview with Habib al-Shatti, Secretary-General of the Islamic Conference Organization, by Nasir al-Qahtani: "'UKAZ Interviews al-Shatti About Goals, Future of Islamic Agency for Science and Technology"]

[Text] The secretary-general of the [Islamic Conference] Organization, Habib al-Shatti, praised Saudi Arabia's efforts to support the Islamic Agency for Science, Technology and Development. He said that Saudi Arabia shows the greatest interest in this agency and was in the forefront of states which contributed to its establishment from the outset. In an exclusive interview with 'UKAZ, he said: "The personal attention which H.M. King Fahd ibn 'Abd-al-'Aziz has devoted to the Islamic Agency gives all of us hope that this organization will be successful in serving Islam and Muslims."

He discussed the meetings of the second session of the Scientific Advisory Council of the organization in Jiddah, which ended yesterday after 2 days of meetings. He said that these meetings were very good, and work will begin immediately to implement and achieve their practical decisions.

The secretary-general spoke of the importance of the Islamic Agency and the important role entrusted to it in achieving Islamic scientific progress. At the conclusion of the meeting, His Excellency called for giving Islamic solidarity its true meaning by implementing the resolutions of the Third Islamic Summit Conference in Mecca and al-Ta'if and working in the spirit of the Mecca Statement issued by the conference.

The following is the text of 'UKAZ' conversation with H.E. the secretary-general.

### Varied Activities of Organization of the Islamic Conference

[Question] Would you please describe the varied activities of the Islamic Conference Organization?

[Answer] As you know, the organization is interested in all fields which concern the life of the Islamic nation, from politics to economics to culture and other fields. This naturally requires constant and continuous work from us and especially travel between the member states and our organizations. Two days ago I came from two meetings, the first in Morocco, where an agreement was signed to establish an Islamic organization to develop trade among Islamic states. Then we also held a council in Paris on Islam and the West and relations which can be established between the states of the Islamic nation and the West, on the occasion of the publication of a very important book by the French philosopher Garaudy, who is considered one of the world's foremost thinkers.

Garaudy began his life as a Marxist but then abandoned Marxism and became interested in non-Western cultures. Finally, it became clear to him that Islam is the only way to ensure the salvation of mankind, which is threatened by the dangers of Western civilization. He converted to Islam and published an important book in Paris about Islam. In its subtitle he asks: "Will Islam think of our future in the West?" I felt that this occasion (especially from the standpoint of the noted person involved) was worthy of attention and was a good opportunity to acquire some favorable publicity for Islam and the organization.

We held an open council with discussion in which Garaudy participated as well as Fathe Delon who is another proponent of a dialogue between Christianity and Islam.

#### Importance of the Islamic Agency

Last Saturday we initiated the activities of the Scientific Advisory Council of the Islamic Agency for Science, Technology and Development. We attach great hopes to this technical agency, because we want to make it the agency which will restore the Arab nation to its position in the field of science. Western states and circles now consider Islam to be a religion and a faith incompatible with science, especially the true sciences, ignoring the fact that the Islamic nation and Islamic civilization originated these sciences, and modern Western science is based on the work of Islamic civilization.

#### We Have All Elements of Scientific Progress

Naturally, from the standpoint of pure science and from the standpoint of technology, the West at present is more advanced for well-known historical reasons, but at this time we Muslims have all of the elements of scientific progress. Thus, we have established this agency to play this role. Its first goal is to try to bring back Muslim scientists, many of whom are working abroad because they have not had research and scientific working facilities in their own countries. Another aim is coordination among scientific organizations in the Islamic states, as well as cooperation as an Islamic bloc with other states which have scientific organizations to exchange expertise and information.



## Islam Is Creed and System of Society

In this way we can recapture what we lost earlier. As I explained, and perhaps you have seen in the remarks which I delivered at the opening of the agency's advisory council, Islam is a faith and a system of society as well. In true Islam, a man is not complete until he improves the performance of his religion and also improves the performance of his duty to society. He cannot perform his duty to society until he is on the level of his era, because if he is below this level, non-Muslims surpass him and overcome him, and we might return to the distant era of imperialism.

Therefore, we attach importance to the basic sciences to advance Islamic society and grant it the strong identity which we should have in view of our material, human and scientific potential.

## Saudi Arabia First Contributor to Agency

This agency enjoys great understanding from the states. I take this opportunity to confirm that we have found the greatest interest in this agency in Saudi Arabia, which was the first substantial contributor to enable it to get started. It was followed by Pakistan, Jordan, Tunisia and Indonesia, because the support which we find for this organization from Saudi Arabia, especially the personal attention of H.M. King Fahd, gives all of us hope for the success of this organization. I take this opportunity to thank H.M. and the King and all of the people of Saudi Arabia for this understanding.

## Membership in the Islamic Agency

[Question] Do all Islamic states participate in this agency?

[Answer] Yes, all Islamic states, without exception, participate in it, but the first encouragement, as I mentioned, came from the five states, headed by Saudi Arabia. The board of directors is composed of economists, and naturally all of the participating states will have their turn.

## Very Good Meetings

[Question] What are your impressions of the second session of the Scientific Advisory Council of the Islamic Agency?

[Answer] The meetings were very good, and an atmosphere of understanding of the agency prevailed. Proceeding from this session, we will see implementation of the working resolutions produced by the work of the scientific council in less than 6 months. The results of the work of the council will enable the Islamic Agency to pursue its work immediately.

## Annual Meeting of Board of Directors

[Question] The work of the second session of the council of the agency has ended. Are other sessions anticipated in the near future?

[Answer] According to the bylaws, the board of directors meets annually. This Islamic Agency has a general director and a vast array of departments run by scientists. This Islamic Agency works in cooperation with the General Secretariat of the Islamic Conference Organization, which supervises it and also helps run it between meetings of the scientific council. When the meeting begins, the agency will be run by its general director with the aid of the General Secretariat.

#### Activities of Agency Have Two Parts

[Question] Are there any other activities which the agency offers the Islamic world, and could you give us information about these activities?

[Answer] One of the activities we support, for example, is undertaking research and the preparation of scientific studies required by members states. Now, whenever an Islamic state requires a study in the program field, or the fields of petroleum, solar energy, or the use of fertilizer, it always commissions a foreign country to carry out this study. However, we are working to provide an agency which will be able to perform these studies in such fields as establishing a cement plant or doing a geologic study to search for water or minerals. The agency also is able to conduct scientific work and has the resources to make use of expertise.

We want to direct the work of this agency from two aspects, the aspect of pure scientific research, naturally, as well as the second aspect of scientific work and technology, which I mentioned to you, in reply to your question.

#### Six Months to Organize Administrative Structure

[Question] As you mentioned, 6 months have passed since the establishment of the agency. What steps have been taken thus far or what steps are planned to help some Islamic states raise their economic level?

[Answer] Above all else, these 6 months were spent in organizing the agency's administrative structure, authorizing some scientific elements, and other material details. After that, decisions will be made concerning cooperation among states and direct action from the informational aspect.

[Question] Does this mean that the agency has not yet begun its activities?

[Answer] Yes, it has not yet begun its activities, but it will start them after the meeting which ended yesterday.

[Question] We wish you success, sir. Do you have a word to say to the Islamic people to conclude this interview?

[Answer] My word to the Islamic people is that we are now living in a very important turn of our history. We have emerged from a state of backwardness and we must enter the state of complete growth. This can be achieved in generations or perhaps a shorter time, since we now have

available to us all of the means to achieve the goals. How is that to be done? First: By political harmony, which can be expressed by unity of opinion, unity of goals, and unity of direction. Even if we differ on some of the means, there are bases and general principles on which there must be complete harmony among all Islamic states.

From another aspect, we must give Islamic solidarity its true meaning, which is action, production and achievement, not words and slogans, by implementing the resolutions adopted at the Mecca and al-Ta'if Summit Conference, which concern all sectors, as I mentioned at the beginning of the interview.

If we proceed on this path and if we proceed in the spirit of the Mecca Statement which was also issued by the summit conference and is an expression of the commitment of all Islamic states to travel a specific path, the path which enables us to return to rebuilding and to work towards that objective; if we work in this spirit, if we implement our decisions, and if we move from the stage of talk and slogans to the stage of execution, then we will undoubtedly achieve our goals.

#### Meeting of Solidarity Fund Today

Today we hold a general session of the Islamic Solidarity Fund, which is another very important agency because it will work for anything which will help the Muslim, wherever he may be, to advance and emerge from backwardness. A new president will be elected for this fund, which has achieved a great deal. It must complete work on a plan for the many requirements of the Islamic nation. Next week it will hold a meeting of the Committee of Solidarity with the Disaster-Stricken Peoples of the African Coast. Two days ago we also had a meeting concerning completing construction of the Islamic University in Niger, which we started to build during the past year. Thus our work is continuous and always present for the Islamic nation.

#### Al-Shatti's Speech at Opening of Session

The secretary-general of the Islamic Conference Organization opened the session of the Scientific Council of the Islamic Agency with a speech in which he confirmed that the Mecca Statement reinforces the Islamic nation's belief in its ability to achieve its scientific and technical ambitions. He stressed the importance of scientific cooperation among the states of the Islamic world, since this cooperation is one of the fundamentals of Islamic solidarity.

In his speech, al-Shatti said that what he wants from this meeting is to translate the agency's plan of action into actual fact, since the Islamic states have abilities which will enable them to succeed in putting an end to backwardness, emphasizing their Islamic identity, and taking control to guarantee their future.

In this speech, al-Shatti dealt with the ideal methods for equal cooperation between the Islamic states and the advanced states, as well as the dimensions

of the Islamic awakening, confirming that it requires earnest action to restore our nation to an elevated position. He explained that the bases of the power and progress of the West are inheritance and contact with Islam.

The secretary-general of the Islamic Conference Organization called on the Islamic states to offer more support to the Islamic Agency in view of the importance of its goals and its huge function, and he explained that the success of the agency brings benefits and happiness to Muslims and the world.

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SECRETARY DISCUSSES MARINE TRANSPORT PROBLEMS, SOLUTIONS

Algiers ALGERIE ACTUALITE in French 17-23 Mar 83 pp 11-13

[Interview by reporter K. Yessad with Ahmed Benfreha, secretary of state for fisheries and maritime transport, date and place not specified: "Attitudes Are Not Changed in a Day" ]

[ALGERIE-ACTUALITE] The restructuring that has taken place in the port sector has given rise to a new form of organization of the ports, which have thus become autonomous port enterprises.

What do you think of the system of operations that now governs the port facilities as a whole?

[Ahmed Benfreha] First I want to thank the ALGERIE-ACTUALITE team for the interest it is taking in maritime transport problems in Algeria. I hope that through your questions and my answers, another step will be taken in the clarification of the facts, the sensitization of users and operators. That would contribute, if it were completed, to strengthening the mobilization of resources at the disposal of the nation's economy.

You are familiar, of course, with the philosophy behind the actions of the nation's political leadership when it decided upon the enterprise reconstruction operation. It is an action that was long thought about, studied, debated. The problem is not only to decentralize and deconcentrate, but also to bring administration of the enterprises down to a human scale, so that management can be totally and perfectly mastered, to bring back clarity and lucidity, and to guarantee to the managers of production units ample means to perform their duties genuinely and with efficiency.

In the particular case of the restructuring of the port system, the principles selected concern:

Having only one responsible authority, and that is primordial, if one is aware that under the previous system there were several authorities involved, and because smooth coordination did not exist, overlapping prerogatives and distortions appeared in port operations.

Geographic decentralization that brings the user closer to the operator



On the basis of these principles, it has been decided to integrate at each port the activities and functions of the ONP. [National Ports Office], the SONAMA [National Freight Handling Company], and the CNAN [Algerian National Shipping Company] (towing), so as to have only one official body responsible for all the operations occurring from the time of a ship's arrival until unloading or loading.

The new enterprises thus created will take charge of:

The operation of port activities, piloting, towing, mooring ships, freight handling, warehousing and bonding of goods

The administration of the ports, maintenance, modernization and development of port infrastructures

Port police and security.

As you see, singleness of authority is complete, and each port enterprise is truly made responsible within its geographic sector of activities.

So I cannot help being personally delighted with the advent of restructuring, of which one advantage among many is that it makes it possible to locate every failure and inadequacy: in a word, the responsibilities.

[ALGERIE-ACTUALITE] Since we cannot talk about results -- that would be premature -- can you tell us what noteworthy improvements have been recorded so far, and also what goals you are expecting to reach in the medium and short terms?

[Ahmed Benfréha] You are correct in saying that it is premature to try, as of this moment, to draw a final conclusion about the restructuring operation. In fact, the official authorizations were issued only a few months ago. Nevertheless, the port enterprises have been set up; and they are getting organized. Structures are being implemented. Distribution of the legacy left by the ONP and SONAMA is taking place. The financial restructuring is going on at the same time, at a steady pace. There will be elections next month to choose the organs of socialist administration of the enterprises.

This is enough to show that 1983 is a particularly busy year for the port enterprises.

One also has to be realistic. These enterprises, in their daily task, are going to be confronted by subjective or objective constraints. Attitudes are not changed in a day. A port cannot be organized nor equipped in a day either. It requires time, perseverance, imagination, the mustering of energy and all intellectual and physical potential.

Already, under the impulsion of the intentions of the political leadership, decided upon during the days of 1 and 2 December 1982, at which [conference] the nation's experts were brought together, think-tanks have been organized at all ports to study and determine the ways and means for improving the

performance of port equipment, so as to assure supplying of the country.

So what has been done already is satisfactory; as concerns the rest, and you have noted it as well as I have, in reading the national press, your colleagues, unbiased witnesses, have pointed out, over the past few weeks, a series of improvements in the situation of our ports. I would personally add one single detail, but an important one: the port of Skikda achieved a noteworthy performance during the day of 28 February, a more than encouraging one, handling over 6,800 tons.

Of course, the change is not noted to the same degree in all the ports. If a comparison is made port to port, the evolution from 1981 to 1982, in terms of increase in traffic, it will be seen that Annaba (+ 4.11 percent) and Algiers (+ 17 percent) reached their limits compared to Dellys (+ 117 percent) Ténès (+ 78 percent), Oran (+ 50 percent), Béjaia (+ 48 percent), and Skikda (+ 28 percent). It should be noted that the ports of Dellys and Ténès worked without having the necessary equipment available.

This annual increase for the ports as a whole, amounting to 21 percent, is the result of decisions made by the Council of Ministers in June 1981, but also results to a large extent from the restructuring of port enterprises. Decentralization was necessary and salutary. Officials thus invested and aware that they had to be accountable for their mission, but also aware that they will be the prime beneficiaries of the results they achieve, have done what was required to get organized and equipped, show aggressiveness in trade, to reach their objective. To the point that there is now a competitive situation and that, because of the coincidental decrease in traffic flow while implementation of the 1983 AGI [expansion unknown] is awaited, some ports are "squabbling" over receiving vessels.

The restructuring is thus effective in the field and the file on restructuring will definitely be closed during the second quarter of 1983.

[ALGERIE-ACTUALITE] The success in restructuring unquestionably remains linked to the availability of high quality human resources. Especially since the burden of such a responsibility necessarily assumes the contribution of people of real ability in all areas.

What decisions have to be made in connection with the training of the men responsible for making sure of the proper operation of the port structures?

[Ahmed Benfréha] Obviously, in any enterprise, the human factor is the prime element determining success or failure.

This criterion was taken into consideration by the political leadership, which is developing, multiplying, and strengthening the training centers, schools, grammar schools, and universities. Algeria today has no lack of qualified, competent, and committed professionals.

The principles observed in the matter of restructuring took this criterion into consideration, since the choice of men, and of their collaborators in a general way, is among the duties of the port enterprise officials, within the



framework, obviously, of the laws and regulations in force.

It is thus up to the enterprise management officials to exercise their responsibilities to the full and to surround themselves with competent and effective supervisory personnel.

The secretary of state for fisheries and maritime transport is there to help them, with the collaboration of the ministries in charge of education and training, and also through the Higher Maritime Institute and periodic or long-range training operations. Many skilled personnel have already been trained in the operations field, management, and organization of ports, both in Algeria and abroad.

It is my personal belief that in that area, since the selection of men is a matter for port enterprise officials, the issue is more one of the ability of these officials to show a spirit of discernment by taking their inspiration from the principle of "the right man in the right place."

The office of the secretary of state for fisheries and maritime transport is following this aspect of things very closely, and will not hesitate to inspect, direct, and stimulate any situation or any action likely to have an influence on the proper operation of the port enterprises.

[ALGERIE-ACTUALITE] The ports have always been faced with a large number of restrictions, particularly in connection with the quantitative inadequacy of infrastructures and superstructures. Things have not changed much lately in the desired direction. As a result, it is to be feared that the new port entities, with few exceptions, will experience the same difficulties.

What solutions do you anticipate for this problem, which remains a decisive one for the actual success of the restructuring operation?

[Ahmed Benfréha] Indeed you are right in saying that the ports in general, and throughout the world, represent the "lungs of the economy" of a country. That is even more true of Algeria, in that nearly all our country's foreign trade is carried on by sea, hence passes through our ports.

The trouble affecting our ports was diagnosed in the seventies. Although it got worse from time to time, that was the result of circumstances. But the authorities have taken a series of measures, and on several occasions, some palliative in nature, others concerned with improvement of the environment and the lifting of administrative restrictions, a few concerned the organization of our foreign trade. Obviously, the main effort to be made was to be in infrastructures and superstructures.

As regards infrastructures, one has to yield to the evidence that what is involved is a very heavy investment, very costly, and lengthy in achievement. So this can only be a long-term operation. It requires years of study; it has been done, more is in progress, to avoid any error that would be fraught with consequences, for it is not always easy to decide today on the configuration of a port that has to face up to what its traffic will be 20 years from now and beyond. Shipping technology evolution is rapid. So is our economic

development. In addition, the number of sites offering good nautical conditions is limited.

It is in terms of these restrictions that studies have been made with the assistance of the Ministry of Public Works. The 1980-1984 plan set a master plan, which is being carried out, providing in particular a modernization of the infrastructures of the port of Algiers and the introduction of additional capabilities to enable it to assure the transit of 1.5 to 2 million more tons.

These are not the only operations planned. For the record, I quote:

the acceleration of conservation and maintenance measures for existing infrastructures;

full-time dredging of the ports;

the modernization and specialization of the docking infrastructures;

the study and execution of the extension of certain ports;

the installation of container terminals, and so on....

This work affects the ports of Jijel, Béjaia, Oran, Mostaganem, Béni-Saf, and Algiers.

As concerns superstructures, the time periods for completion of our undertaking are shorter. Thus the decisions made by the Council of Ministers during the 14 June 1981 meeting have been able to be 80 percent completed.

We have taken action, throughout the ports as a whole, to increase the transit area which was typically notoriously inadequate.

I said that one of the criteria consisted of the technological evolution of ships, of which the goal is considerable reduction in turn-around time so that savings can be achieved.

Now, this evolution results in the need for redevelopment of port space to offer the maximum of transit areas to ships in operation.

As an example, four or five times as much space is needed for vessels of the Roll-On-Roll-Off type, which are increasingly operating in the Mediterranean, than for a conventional type of ship. This space makes it possible to reduce turn-around from a week to 24 hours.

This effort has made it possible to raise the usable area from 120 hectares to 200 hectares. Certain zones situated within the port area have also been returned to port traffic use by the clearing away of all activities that were not directly connected with port operation.

Earth revetment work, lighting installation to promote night work, improvement and renovation of water mains and VRD [Highways and Roads Department]

work, construction and installation of maritime sheds, warehouses, and stations have all been done at the same time.

The theoretical capacity of the ports is well known. Now, this theoretical capacity, estimated at a transit potential of 17.5 million tons of goods (excluding oil) was exceeded in 1982. Despite the fact that the port of Oran (a victim of bad weather) and the port of Ghazaouet operated at only 50 percent of their capacity, transit of 18,653,000 tons was recorded in 1982.

Although in theory the ports have reached a point of extreme saturation bordering on suffocation, it is possible in practice, with the return to normal operation of the port of Oran and greater use, by importers, of the port of Ghazaouet, to cope with 20 million tons of traffic.

Compared to the 10 million tons reported in 1962, that is a two-fold increase.

We may show satisfaction with what has been accomplished. But the action must be completed, and more specifically, extended. It must be kept in mind that the port is only one link in the transport chain. If the measures that I have quoted make it possible to unload vessels in a short period of time, this merchandise still needs to be moved out of the ports, since they naturally have only a limited transit capacity.

In the transport chain of which the port is only one link, there is reason to note that the first link is at the departure from the factory, and concerns the quality of the merchandise packing. In the second place, there is the mode of transportation, that is to say, the ship. I note with pleasure that the national companies are taking greater care to select appropriate ships.

The port enterprise is at this point of the chain, which continues with the inclusion of human and material means for the evacuation of goods. The chain is completed by the storage places.

Thus various factors are involved. Unfortunately, some weaknesses must be pointed out, particularly at the evacuation stage.

Night work has been introduced. The port areas have been provided with lighting. The customs has made its preparations. What do we see? Few national companies have recourse to night work. Barely 10 percent of removal is done at night, whereas it was reasonable to expect at least the same amount as is achieved during the daytime.

It is up to the national companies to make an effort in the matter of marshalling human and material resources to move the goods out. It is also a necessity for them to implement dynamic and competent port transit services.

In certain cases, the coordination between operators and users has worked perfectly. Thus, for cement: in 1981, 1.1 million tons were imported. From April 1982 to April 1983, to meet the demand, the government decided to import 3 million tons. I may say that as a result of good coordination, to marshalling of resources, resulting from adequate planning of imports, the program was completed a month ahead of time without clashes or unfavorable

repercussions.

It is the same thing with potato imports, 30,000 tons, from September to the end of January, without a single breakdown in the transport chain being reported. I can also cite the example of the wood imported by the SNLB [National Cork and Wood Industries Company].

That means that despite the inadequacies of the port enterprises, the national companies can no longer retreat behind insufficiencies other than their own, for at the moment, it is the ship, it is the docker that wait for someone to come and take away the merchandise. There is close to 140,000 tons of it in the port of Algiers alone. That represents 2 or 3 weeks of evacuation work, with the port closing its gates to new arrivals.

Another example is the container. At the present time, it is the best possible packing; moreover, for a country like ours, it is the best auxiliary for sea transportation, and will be for some years to come.

For the advantages offered by the container in terms of ease of handling, merchandise protection, etcetera....It constitutes a considerable solution. That is why the container was introduced in Algeria, about 4 years ago. The use made of it, however, penalizes ports through introduction of this means of packing.

Whereas the container is intended to improve the flow of port transit, I noted just yesterday 2,560 containers waiting in the port of Algiers, and some of them for over a year. Some national companies have up to 300 containers, each of them pointlessly cluttering the docks.

Also, the container is intended to be unloaded, taken to its destination, be emptied into a warehouse, and brought back often on the same truck to be returned. The time period, which was not supposed to exceed 10 days initially, is today on the order of 6 months. Now because of these delays, the cost of additional lay-days amounts to as much as 4 dollars per day per container.

It is easy to calculate the dead loss to the nation's economy. I say nothing of other costs caused by spoilage, breakage, or disappearance of containers.

[ALGERIE-ACTUALITE] The ports condition and control the economy: especially when one knows that so far as we are concerned more specifically over 95 percent of our foreign trade passes through the ports.

Can you give us some information on what has been decided as concerns installation, equipment, enlargement, and the creation of new port sites?

[Ahmed Benfréha] I have already answered your question, at least in part. Rather than make a list of the actions that have been defined in the master plan and included in the 5-year plan, and those that will be included in the future plan, I would prefer to concentrate on the philosophy behind our planning activities.

I would first repeat that the action to be taken does not only concern creation, renovation, or development of facilities and infrastructures.

Our activity is aligned on two distinct and complementary programs:

to derive the maximum from the existing facilities;

to bring in the rest as facilities such as studies have determined.

On the first point, and I have developed it enough, the clean-up, development, and equipment measures for the ports, to which are added the results of the restructuring, understood in terms of organization, should enable us to derive the maximum from our port instrument. This action is presently being carried out assiduously.

This action is to be complemented by the introduction of new facilities. This is obviously intended to become part of a much more complete system that will make it possible for the merchandise received to be evacuated away from the port: the organization and the means to be determined.

This group of measures, it should be recalled, was taken by the government during various meetings of the Council of Ministers. Also, as I told you, a reflective action is now in progress among the operators as a whole.

The fact remains that since there is investment to be made, "horizon 2000" has to be involved. It is standard procedure that when a port reaches 60 percent of operation, another infrastructure item is considered.

Whereas the needs of the nation's economy may evolve and change very quickly; whereas shipowners can bring their fleets up to date quite quickly to adapt them to the demands of foreign trade, those responsible for equipment have to submit to the constraints of the passage of long lapses of time running into years between the time when the need for new work is felt and the time when the new work is available.

Now, and the various studies conducted so far bear this out, Algeria, despite the gradual integration of its economy, will during the next two decades continue to be a heavy importer of a number of products.

The completion of new facilities fits into this context. But it must not be forgotten that the port system itself amounts to a heavy industry by virtue of

the masses of workers who have jobs in it, and the financial commitment of the operations

the very extensive influence that the good or bad adaptation of the port systems exercises on the cost of maritime freight, and what that amounts to as a consequence in social terms (regularity and purchase price of the country's supplies)

These are the considerations, as a whole, that were taken into account in the



development of the master plan, which includes some immediate actions, some medium term, and some long term, involving respectively, clean-up, organization for work, maintenance, renovation, renewal of equipment and facilities, as well as the development of port infrastructures.

In conclusion, I am convinced that the real, lasting solution is not to be found only in the port enterprises, it must be sought among all those involved in the transport chain, hence the necessity of adequate planning of imports, better coordination among operators and users, more cohesion, and constant vigilance.

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NEW POLITICAL SCIENCE, INFORMATION INSTITUTE DESCRIBED

Algiers EL MOUDJAHID in French 20 Apr 83 p 11

[Interview with Mohamed Abassa, director of the Political Science and Information Institute, by Djamel Benzaghrou; date and place not given]

[Text] The only national institution in the country to concern itself with the higher education of political science and news and communications personnel, the ISPI [Political Science and Information Institute], affiliated with the University of Algiers, has not yet reached cruising speed.

Established in 1975 following the merger of the Political Studies Institute (IEP) and the Higher National School of Journalism, it does not seem, for a number of reasons, to be meeting the needs set forth in this sector nor the goals established for it any longer.

The quality of the training level provided no longer satisfies the client (information bodies) through the press agencies, and there has been a decline in the volume of personnel trained, on the quantitative level, to the point that--a unique phenomenon in the history of our young university--there were no graduates in journalism in 1981.

A discussion of the innovations within the ISPI involves heeding the proposals of an administrator who, with his colleagues, and at the price of successive challenges, claims to have answers to the problems of our university.

Mr Abassa explains that, despite the obstacles and the difficulties created by strong feelings, the national interests alone prevail in the end and join together the most firmly held positions.

Since the problem has been diagnosed, what solutions have been chosen to ameliorate the situation? The various reform proposals put forth seem inadequate in view of the enormous needs of the country in the realm of information. What is the status of the proposal to create a national institute of information and documentation? What will the new educational plan adopted be like, and has the retraining of working journalists been contemplated, and if so in what way? Today, Mr Mohamed Abassa, director of the Political Science and Information Institute, answers all these questions and many others for us.

[Question] What is the Political Science and Information Institute?



[Answer] The ISPI is the national institution--the only one--which concerns itself with the higher training of political affairs cadres and specialists in the information and communications field. It is then an institution which is a part of the University of Algiers center, responsible for the higher education of journalists, communications personnel and political science specialists.

The ISPI is a product of the merger of the former Political Studies Institute (IEP) and the former Higher National School of Journalism. It has been in existence since November of 1975, and it teaches its disciplines within three educational curricula: administrative and political organization sciences, international relations and information.

These curricula constitute 2-year courses after an initial and previous 2-year course (joint curriculum), thus leading to 4 years of education culminating in a degree in one of the three specialties.

[Question] Why is there a single institute for two disciplines which are in principle different in nature?

[Answer] I cannot give you the initial reason which justified the decision at the time to merge two institutes which are in fact different but may seem complementary. What is certain is that the two institutes did function separately, and also, each of them experienced specific problems.

Since 1975, these two institutes have functioned together, and the two disciplines were then merged with greater success for one than for the other.

The "information" curriculum operated on the basis of one course, while political science involved two. Some of our colleagues felt then that the information and communications sciences could profit from the pedagogical and scientific contribution political science could make, while others believed that political science could be updated or strengthened by the contribution of the information sciences.

On balance, the result has not been what was hoped at the beginning.

Thus we have seen a sort of "replacement" of one discipline by the other. The quality of the training level provided has not satisfied the consumer, that is to say the press establishments.

On the quantitative level, there has been a decline in the volume of cadres trained.

The old journalism programs were reduced by half, with a reduction in the hourly class schedule. As a result, fewer and fewer candidates chose the information field to the point that--a phenomenon unique in the young history of the university--there were no graduates in journalism in 1981.

The political science course, on the contrary, experienced a great upsurge, with an expansion and improvement in the content of the courses offered and a steady increase in the number of students.

This situation is a product of the difficulty involved in simultaneously identifying and administering two disciplines which, as you have noted, require full attention and complete understanding as a function of the concern of the customer.

[Question] This merger of the two institutes into a single one, however, was designed to improve the results in quantity and quality. This has not happened. What assessment can one make today then?

[Answer] In terms of quantity, the assessment is easy to make. A negative development has been seen. Algeria was one of the first Third World countries to concern itself with the information realm after our country regained its independence.

There has been an extraordinary development in this discipline despite the difficulties and shortage of cadres. After 14 years, then, we are seeing a decline in quantity and quality.

Why, as regards quality? Teachers who now enjoy prestige on the world level taught, motivated and led these young people. However, they were not subsequently replaced by cadres of the same quality in the information sector.

A decline in staffing and programs thus inevitably led to a decline in graduates. The customer (press establishments), dissatisfied, gave priority to those with training in fields other than journalism (law, liberal arts, etc.).

At one time there was talk of some "oversensitivity" on the part of certain press establishments, but in fact there was a real decline in the quality of the training of journalists.

Parallel with this, all of the teaching equipment designed for initial studies in this profession (radio studios, photo laboratories, etc.) did not in fact serve the purpose for which it was initially bought. One cannot provide journalists with training without supervised practical work.

[Question] The ailment has been diagnosed. What solutions have been chosen to correct this situation?

[Answer] There was at first an effort to find an intermediary solution within a regulatory framework calling for reorganization of the programs, curricula and training outlines. What the ISPI offered was not consistent with the training of journalists, communicators or news specialists (we were not in fact training either theoreticians or professional journalists in terms of the broad diversity of radio and television and the written press).

The journalist's profession only exists in terms of specialties within journalism--journalism with legal, economic, sociological and other studies.

As far as the program was concerned, the faculty was not adapted to it, and the final product was inevitably doomed to suffer from the negative effect of these inadequacies.

It was necessary to change the teaching programs and to adapt them to the professional courses and curricula and types of education to which they should lead.

Work sessions with the consumer enabled us to establish job descriptions, in order to draft a training program likely to produce, under the best conditions, the cadres needed by the consumer sector.

As we have the advantage of being professionals and university professors, we were facilitated in the task of making the necessary proposals for the reorganization and reform of the programs on the basis of the real needs expressed by the consumers and the capabilities within the institute.

For staffing, we have a high-level teaching body, sometimes used on the "part-time" level of 10 to 20 percent of real capacity, because there are whole specialties not being taught for lack of these modules in our educational program.

We have tried to effect reform in terms of improvement. Recruiting is based on competition for baccalaureate candidates, after their records have been studied. This reform is the beginning of a program drafted after holding general meetings of teachers, delegates, students and representatives of the consumer sector.

We have thus achieved a sort of synthesis of all of the existing programs, the goal of which is basic general theoretical training with a joint curriculum lasting 2 years, which at the same time prepares the students for the specialty (audiovisual studies, communications science, written press).

(It should be noted that only one out of seven candidates is hired by the consumer sector, which gives some idea of the enthusiasm of young people for journalism.) Then there is theoretical training in the specialty chosen, and finally, the professional courses which lead to a concrete, functional and effective knowledge of the specialty.

[Question] Don't these reform proposals seem inadequate to you in comparison to the tremendous needs of the country in the information, journalism, and general communications fields?

[Answer] Everything depends, of course, on the goals selected and the prospects established. We thought it was necessary to train journalists, whatever the cost, within the narrow framework we had. We thought it was necessary to function within a limited area in order to be able to change, renew, innovate and contribute new things. There are specific, pertinent and even urgent needs expressed by the consumer sector, and even in terms of the political will expressed on the highest level at the session of the Central Committee which was especially devoted to information sector problems. If one heeds these recommendations, your question is very pertinent. The framework we have at the ISPI is very narrow, to the extent that we are not training a professional body. The information sector involves some 30 different professions for which the country is experiencing an ever-increasing need in terms of number, specialty and quality.

[Question] It seems that the departments of the Ministry of Information and the Ministry of Higher Education and Scientific Research (MERS) are just now working on a joint project involving the establishment of a national institute of information and communications. What is its status?

[Answer] There is at this time a proposal to create a national institute of information and communications, and the proposal is reported to be moving well ahead.

First of all, there was a desire to have such an institute expressed on the highest level. The response provided will thus involve, in an initial stage, training requirements. The quality of information is today a major concern, so that the basic right of the citizen to information can be satisfied. The proposals made by the MERS fully satisfied the Ministry of Information, it appears, as a first step toward the qualitative improvement of human resources, with commitments made on both sides.

[Question] How will the institute contribute to the implementation of the recommendations of the Central Committee with regard to the information sector?

[Answer] It is not possible to respond fully here and now to all of the questions facing the information sector. We are involved only in the "training" portion. It goes without saying that it is in terms of practical uses and applications that this institute will try to carry out its mission.

The recommendations made by the Central Committee are extremely important, and fully endorse the right of the citizen to information.

To meet this need, improvement in journalists' training is needed, but there are other matters pertaining to the information sector--improvement of investments on the sectorial level, multiplication and diversification of publications, adaptation of legislation--in a word, a whole series of extensive and important measures which are being adopted, or will be, on the level of the Ministry of Information.

There may then be need for the establishment of specialized institutes concerned with multiple and complex disciplines.

The problem of communications is today a priority for a number of countries, and the UNESCO has made it a priority task. There are ministries of communications. There is ever-greater need for a scientific knowledge of the nature of the consumption of the message we produce. We will concern ourselves with those who produce the message, and then with those who can assess it, the degree and quality of consumption by the public, etc.

[Question] I believe the establishment of this institute is planned for next September. Will you be prepared by that date, particularly in terms of the infrastructure to accommodate the students and in terms of staffing?



[Answer] Everything will depend on the means available to us and which we can mobilize. There is agreement on the level of access to teaching facilities, above all where studios, radio, TV, etc., are concerned. The RTA [Algerian Radio and Television] is purchasing equipment in addition to the studio which we have, which was acquired in 1974, and which has not been used to date.

Where material, technical and pedagogical problems are concerned, we are faced with no major difficulties.

With regard to premises, we are the only institute to operate with 1,000 students housed in five different centers around Algiers.

The technical file for a new building has been completed and recorded on the planning level, and the problem remains the delay in its implementation.

Moreover, there is a plan for the establishment of the information and communications institute within the framework of the Kouba Social Sciences University. But there is an urgent need.

Where staffing is concerned, with the establishment of three new curricula, the faculty, which is being used at 20 percent of its capacity, will see full use, with a lag to be overcome, in particular where the retraining of teachers is concerned.

[Question] Can you give us some idea of the new training structure at this institute?

[Answer] There will be general cultural education, the goal of which is to raise the basic student level (2 years of multidisciplinary training), and then 2 years of study in the chosen specialty. Within each curriculum, there will be specialties reflecting every form of expression. In the communication sciences curriculum, there will be various possibilities: audience, audience analysis and assessment, public relations, advertising, and specialties as yet unknown but to which we assign great importance.

[Question] Have you contemplated retraining working journalists, and if so, by what method?

[Answer] Since this institute will have sole responsibility for the training of information specialists, and as this discipline is developing every day, the Ministry of Information has asked for an opportunity for the retraining of journalists on the job. If this is possible and achievable in all foreign universities, it will also be here in our university. There is a need and a duty for this institute to retrain cadres on the job.

[Question] The old Higher School of Journalism, despite the inadequacies from which it suffered for known reasons, played an international role and trained numerous cadres for brotherly and friendly countries. Will the new institute also do so?

[Answer] You are right in noting that the school of journalism, despite its inadequacies, played an international role, providing, among other things, training for cadres for 15 brotherly and friendly countries, who are today serving in their respective countries. This is a satisfaction and a source of pride for us, for this training keeps Algeria's commitments to these countries on the political, economic and diplomatic levels.

It is important to extend this aid by continuing to train cadres for brotherly and friendly countries.

Algeria has moreover an important role to play in addressing its cultural message (films, radio, television, written press) to the world, and this is not a negligible aspect. We must thus contemplate the training of high-level specialized cadres to master journalistic language in order to speak to the entire world. This institute will have an international section. The principle of its founding will call for the participation of all parties involved.

[Question] What about the students?

[Answer] They are in fact the most important element, because they are the reason for our activity, and your question poses the basic problem. When our students are motivated and when they meet with a positive welcome from the staffing personnel, they prove entirely satisfactory. Our students have contributed much to the ISPI in the sense of a critical spirit concerning all we have undertaken. They are the recipients in this endeavor and they are aware of the realities and difficulties. They make an effective and positive contribution to our work.

We are one of the few institutes, following the faculty of medicine, to respect the 60-40 percent distribution between young men and women.

Our students, making themselves fully available, show a capacity for work and worthwhile initiative. We are equipped with substantial resources for cultural programs which have enabled us to offer supplementary educational activities organized on the basis of five laboratories (cinema, photography, video, music, press).

A number of indices of the willingness and cooperativeness of our students demonstrate their vitality and their commitment to serve the country totally.

(This aspect of journalists' training will be complemented by a report from the point of view of the consumer--the news establishments.)

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## SYSTEM, ABUSE OF GOVERNMENT PERQUISITES REVIEWED

Cairo AL-MUSAWWAR in Arabic No 3051, 1 Apr 83 pp 11-15

[Article by Mamduh Abu Zayd: "The Story on Exceptions in Egypt"]

[Text] What is the story on the exceptions in Egypt, and what are their limits and magnitude? Who enjoys them, by law? Who has gained access to them through the loopholes in the way the laws and decrees are formulated? What exceptions are granted to ministers, deputy ministers, people at their level, governors, governors' assistants, members of the People's and Consultative Assemblies, sporting clubs, tourist organizations and exceptional groups?

AL-MUSAWWAR has proceeded to investigate the issue of exceptions in numerous areas. It investigated them in the Ideal Company, where there are long reservation lists of people who have been waiting for years for refrigerators — while people who are entitled to exceptions can get them at once. It investigated them in the al-Nasr Automobile Company, where the same thing holds. It investigated them in the Ministry of Housing, where some people can find an empty apartment in the twinkling of an eye while people who really need them cannot find them. It investigated them in the insurance companies, where apartments in the most luxurious buildings are allotted to people who are not entitled to them, and it investigated them in the universities, where the children of professors and employees in all university jobs are fortunate enough to get into the universities and faculties they want, without meeting the condition of getting a certain grade average. We are publishing herewith the results of this tour, without any comment on our part.

Before we get into the details on this thorny, multifarious subject, we should state, at the beginning, that we are not against all exceptions; not all exceptions are obtained by citizens through acts that are contrary to law. For instance there are the necessary exceptions that are dictated to us by essential considerations, such as those bearing on the children of the war dead, the exceptions bearing on people who come into the country, those granted to sick persons and families that have been afflicted with disasters, and other necessary exceptions imposed by humanitarian or patriotic motives, or motives dictated on some occasions by the economic circumstances the country is going through.

These exceptions are all necessary and legitimate, and we are not against them. Indeed, completely to the contrary, we are in favor of them — on condition that

they are circumscribed by reasonable rules which guarantee that they are given to the people who are really entitled to them.

However, the cases of corruption and aberrant behavior that have been observed recently have revealed many frightening instances and facts in the realm of exceptions which show that people have obtained many exceptions that they have absolutely no right to, and that they attained them either through the use of intermediaries, patronage and relatives, or through loopholes in the formulation of the laws or decrees spelling out the exceptions.

These exceptions are what we are talking about, and what we are opposed to, because they encourage aberrance and corruption, corrupt people's integrity and consciences, create a market of go-betweens and middlemen, close off the road to equality of opportunity among citizens, in the creation of a group of people who are living on the loot they collect through the exceptions!

#### The Origins of the Exceptions

Exceptions in Egypt were originally based on numerous decrees and some laws. These decrees and laws set out rules for these exceptions, and, in application, large excesses and amplifications in some exceptions have occurred. These excesses and amplifications have occurred through loopholes in the formulation of laws or decrees; through them, some people have managed to obtain many flagrant exceptions to which they had no right!

In addition, protocol has had a large effect on these excesses. The negative features of government administrative agencies have also enabled exploitative persons to commit their illicit acts, whereas, if the commitment to the principle of equality among people had been the rule, these blatant exceptions would not have been made!

This has been true in many areas, in the area of university admissions for instance, where large numbers of children of professors and people employed in various university jobs have been accepted although they would not normally have a right to join the university or the scientific faculties, such as the Faculties of Medicine, Science, Engineering and so forth.

This also has been true with respect to the acquisition of allocated apartments, since many people have obtained apartments and villas owned by some insurance companies by allotment although they did not have any right to them. The basis of these allocations is an administrative decree which is attributable to a cause; when we learn the names of some of the people who have obtained these allocations, we will find that the causes of the decree are nonexistent in the case of some of them!

This has been true in the area of access to customs exemptions, through extensions in the application of these exemptions to clubs, certain tourist organizations, and other institutions. Some people have exploited them in commerce or negotiations.

This has also been true in the area of housing. Some people have obtained more than one of the apartments allocated to newlyweds, transfers, people coming back from abroad, or apartments for urgent housing in a single town although these categories did not apply to them!

This has also been true in the area of the acquisition of construction materials such as iron, cement, and pipe, and it has also been true in the area of the acquisition of supply quotas, to which we previously devoted a comprehensive investigation which unearthed many of these violations and excesses.

It has also been true in an obvious, serious manner in regard to the excesses that have taken place, and are still taking place, in the public sector and the government, through the allocation of the imports of equipment and many other commodities by direct orders to certain private sector companies, individuals and international firms. This provides an extremely fertile climate for corruption and aberrance!

This has been true in regard to products that are bought by reservation, such as cars, refrigerators and assembled goods, especially when priority is given to people who pay in hard currency. Large amounts of these products have been allocated to members of the People's Assembly and the Consultative Assembly, ministers, deputy ministers, governors, assistant governors and company chairmen who are at the exceptional grade; they account for a substantial number. In addition, there is the special exception for the Minister of Industry, who is given an opportunity to dispose of cars to some people who are not able to await their turns, such as young doctors and others, on the argument that that makes it easy for them to carry out their work. This exception is not governed by any rules.

Thus, amplification of the exceptions that have or have not been stipulated cover almost all areas. They have become the object of innuendo and sarcastic comments, from which the words "zucchini" "scratch me and I'll scratch you," and other common remarks in which people find relief from this profound moral crisis have emerged!

#### Let Us Start Here

We went to learn about the facts behind this issue in the field. The first door we knocked on was the door that had been opened most often to exceptions, the one where citizens in Egypt feel that they are suffering from the application of exceptions that devour their natural right to obtain the necessary commodities they want to own by following turns.

Our meeting was with Eng Muhammad 'Abd-al-Hamid Jalal, chairman of the board of the Delta Refrigerator Manufacturing Company, Ideal, and Eng Mustafa al-Asyuti, manager of the production sections in the company. We told the former:

"People complain about long waiting lists for the company's refrigerator products; although they generally take the initiative to make reservations with the company early, they nonetheless wait more than a year to get what

they want immediately through exceptions, some of which are stipulated and some of which are not.

[Answer] We have no exceptions besides those stipulated by administrative decree. We are committed to carry those out. The first of these exceptions is for people making reservations in hard currency. They have priority in reservation.

[Question] Don't you think that this exception harms the right of citizens who do not make their reservations in hard currency, and damages equality of opportunity among citizens?

[Answer] I have heard much talk about this exception, but I would like to stress that it is an appropriate one and is called for by Egypt's economic conditions because of the need to procure foreign currency, which is spent in procuring production accessories for the public. That is, out of the sale of every refrigerator that is reserved by foreign currency, I can produce three, and not impose burdens on the foreign currency budget of the government. It is indeed a very successful policy. Suffice it to say that it has brought the company an income of \$20 million this year.

Eng Jalal 'Abd-al-Hamid went on to declare this company's position on exceptions by stating:

"The second exception was stipulated by the company's board -- that its president should be delegated to deal with some cases that he considered urgent, for instance supplying hospitals or schools, and then some sick people who have to use refrigerators. As far as I, the president of the company, go, I have used this exception only in a few cases where the person submitting the application presented valid certificates of illness. After that there remain the other exceptions, which were stipulated by decree of the minister of industry after the Council of Ministers gave its agreement to it. I consider that you should hear the opinion of my colleague Eng Mustafa al-Asyuti on that."

Eng Mustafa al-Asyuti said,

"This exception bears on ministers, deputy ministers, members of the People's and Consultative Assemblies, then the group of unions and clubs belonging to various bodies, such as the clubs belonging to Judges, the Council of State, the government and administrative public prosecutor's office, and also the general professional unions, but not their regional branches, such as the unions of engineers, doctors, merchants, pharmacists, veterinarians, applied artists, farmers and lawyers."

[Question] What proportion of the company's total output do these exceptions represent?

[Answer] The decree on the exceptions allocates 10 percent of output to these groups. These total 34,070 refrigerators, of which 850 are for ministers,



deputy ministers, people at their level, governors, and company presidents at the exceptional grade; 2,400 a year are for members of the People's and Consultative Assemblies, within the limits of a maximum of 12 refrigerators in the legislative season of the parliamentary term (3 years), provided that they be given out in instalments at the rate of one refrigerator every 3 months. All these amounts are covered by the 10 percent allocations, but nonetheless this number is much lower than the stipulated percentage. In addition, as part of that, we have included the 25,000 refrigerators that are being distributed to the public and private sectors. Thus we will have used up the quota that was set aside by the decree on the exception. The rest of the output is distributed at the rate of 40 percent to people making reservations in hard currency and 60 percent to those making reservations in local currency.

#### The Need To Determine

Although Eng Mustafa al-Asyuti's statement about reservations in hard currency seem convincing, because they are based on a patriotic reason, which is the procurement of hard currency for the government, at this stage specifically, the decree, in itself, constitutes a loophole through which some exploitative persons who deliberately make reservations in hard currency for any number of refrigerators, then offer them again on the markets at prices much higher than those at which the company sells them, can penetrate. This state of affairs makes it necessary that the number of refrigerators that can be reserved in hard currency be specified so that we can frustrate the exploiters and make it easy for Egyptian citizens who do not have hard currency to obtain their commodities. Thus we will have achieved equality of opportunity among citizens on the one hand and will have frustrated the exploiters on the other.

Since the exceptions governing cars are the same as those that involve refrigerators, it was natural that we should discuss the former with Dr 'Adil Jazzarayn, chairman of the board of the al-Nasr Automobile Manufacturing Company. Dr 'Adil said,

"The only exception which has been carried out in the company is the one that appeared in the decree of the minister of industry, as agreed to by the prime minister on 17 February 1982, allocating 10 percent of production to group reservation by the various unions and other bodies, such as the Judges' Club and so forth, and 10 percent of production to exceptions from turns on lists. Of these cars, 1,600 will be for the public and government sector, 457 will be allocated at a rate of one each to the members of the People's and Consultative Assemblies during the legislative season of the parliamentary term (3 years) and 228 will be for the ministers, deputy ministers, people at their level, governors and company president at the excellent grade.

[Question] Where does the rest of the production go?

[Answer] Forty percent of the rest of the production is allocated to people making reservations in hard currency and 60 percent is for people making reservations in local currency.

[Question] However, we know that there are other exceptions.

[Answer] All other exceptions in violation of the decree of the Ministry of Industry are to be rejected totally, and nobody has been delegated authority to grant any exception to any citizen, no matter what it may be. This was stipulated by the circular letter issued by the Ministry of Industry, which stated that as of 4 January 1982 no exceptions were to be granted to any citizen on the purchase of cars or refrigerators and that the manufacturing producing companies had to restrict themselves to turns on the basis of priority in reservations, except for the ministries, authorities, government factories and companies as dictated by work requirements in them.

As regards priority in turns for people making reservations in hard currency, the letter stated that need requires this and that the setting of total restrictions will produce negative results on the amounts obtained through these reservations, whose amount varies but this year will come to \$30 million of the total value of the production, whose figure comes to 186 million pounds.

[Question] Don't you consider that the expression "except for ministries, authorities and government factories and companies, as required by work demands in them" is an exception in itself?

[Answer] In my opinion this is not a new exception, as long as work requirements demand it. In any event, if there is a loophole in the application of the decree on reservations in foreign currency for any number of cars -- and there are doubts that that might be in the benefit of certain merchants -- I can say that the sum of \$30 million does not amount to a large sum as far as the value of the overall production, which comes to 186 million, goes. However, let me repeat that that amount reduces the burden that lies on Egypt's foreign currency balance.

Clubs Also Get in on the Game!

A conversation took place in Egyptian Customs with the person in charge of it, Mr Husayn Amin, the first deputy minister of finance for customs affairs, on exceptions or customs exemptions.

His excellency said,

"To begin with, we are opposed to special exceptions, because we suffer greatly from the vicious attacks on them, especially when we clash with big persons who have powerful positions, when they seek to make arguments and introduce influential mediators. They must pay what they owe in the form of customs duties."

He then said,

"This is because exceptions ultimately constitute a crime against government, and we are one of the prime sources that collect what the government is entitled to. However, we are committed to decrees which bear on the exemption of certain classes in order to encourage them and strengthen and support their activity. My observation on this sort of exemption is that some of them have



not been formulated in a decisive manner, for instance Law 77 for 1975 regarding the exemption of administrative councils for youth care, sports and clubs from taxes and customs duties on equipment and accessories imported for their account which they need in order to engage in their activities and on the determination of which a decree is issued by the minister of finance in accordance with a request from the president of the competent central administrative body on behalf of youth activities. These constitute broad loopholes which speculators can work their way through, and the sector or body which it was hoped would receive the exemption in order that its activity could be strengthened and supported does not benefit from it. The essence and significance of the formulation of exemptions is a matter of determining the type of exemption that will help stimulate, support and advance sports. However, we as customs men, have noticed the extent to which the use of the loopholes has been amplified in the framework of all the clubs, by which people have imported household kitchens in large quantities, as well as video sets, television sets, refrigerators, and so forth, some of which must find their way out to merchants on the black market or influential members of the club.

"In light of this observation, I can say that we are in the process of reviewing all exemptions given all sectors in order to determine the real types required by each sector that enjoys this exemption, such as the tourist sector, cooperative societies and the like. We have actually met with some people who are in charge of these sectors, have set out specific lists, and are in the process of completing this process regarding all the sectors benefiting from the exemption."

#### University Exceptions

It was necessary that we meet with a senior university official, so that he could give us his opinion on university exceptions. The meeting was with Dr Zaghlul Mihran, the vice president of 'Ayn Shams University, who said that he had been calling for the elimination of these unfair exceptions since the sixties.

He said,

"I consider that the government should issue decrees on exceptions only in the area of education. Most unfortunately, I can state that the government, at some period, opened the door to exceptions wide and without reservation. This started with the children of professors, then the children of people working in the university — provided that they had spent 10 years in the university. Then there were athletic exceptions, then other types of exceptions, which numbered 25. All of these are acceptable, but it has been proved in a manner that leaves no room for doubt that in all cases the people who come to the university by way of the exceptions become totally overwhelmed, especially in the Faculties of Medicine, Engineering and Science, that is, the scientific faculties. This phenomenon, which is unique to universities in Egypt, has no parallel in any universities in the world. How can one agree to allow a child of a university professor who is not prepared to enter the Faculty of Medicine to do so on an exceptional basis? You can imagine the numbers of

people who are excepted from the grade average when we realize that the bill stipulates that five positions in each faculty be for children of professors and employees. If there are nine medical faculties, there will be 45 special positions with exceptions! This is in addition to the other exceptions.

"To give a picture of the form these exceptions take, I can say that for example if the total number of people admitted to the Faculty of Medicine is 500, then 180 to 200 of them will be exceptions!"

The question now is, why is Egypt alone in being subject to this plague?

Perhaps the most serious points that have emerged from the recent cases that have been heard before the court of values are the blatant exceptions in the area of housing. Regarding these exceptions, Counsellor 'Adil Butrus, legal advisor to the Ministry of Housing, says,

"With regard to the exceptions in the Ministry of Housing and areas that are concerned with it, such as the provision of building materials, there was a general exception for public personalities until recently, when Eng Hasaballah al-Kafrawi assumed responsibility for the ministry. This involved cases where the people involved were described as public personalities who did not deal in the materials whose disposition was required when there was a real need to obtain these materials, and it would be ordered that what was needed be given out within the limits of quantitative rules after special blueprints were submitted. The majority of these requests were for dwellings or projects which were outside the boundaries of governorates, where it was therefore not possible to obtain permits or building materials. However, when Eng Hasaballah al-Kafrawi took over responsibility for the ministry, he totally abrogated this exception and ordered that the distribution of building materials from then on be done by the units that were competent to hand out construction permits, on grounds that building materials were a right of everyone building ordinary residences and not just luxury buildings, since the government provides subsidies for these materials and those must go to the people who are entitled to them. Therefore there have been no exceptions on this whatever.

"The second area in which there might be exceptions in the Ministry of Housing is the distribution of housing units. The ministry, it must be understood, does not distribute or construct housing units itself -- that is done by the companies and authorities belonging to it, such as the General Cooperative and Housing Authority, the Fund for the Financing of Private Housing in the Redevelopment Housing, the Madinat Nasr Company, the Misr al-Jadidah Company, the United Company, the al-Ma'murah Company, and so forth.

"In reality, these companies and authorities are considered independent legal persons, in the sense that each of them has its own board of directors and its own special bills. The general majority of these authorities and companies were to have distributed their own housing units by lot, but most unfortunately it has been proved that it is not easy to control these lotteries, and in addition they have developed a bad reputation, in the sense that people who are damaged by the outcome always state rightly or wrongly that they were

rigged. Therefore, thought was given to another method, a more difficult one but one that in my opinion is more disciplined. The beginning was initiated by the General Cooperative, Construction and Housing Authority, and I had the honor of heaping to set out these rules and enforce them as well. Specific priorities were set out on the acquisition of housing units which the authority erected. These priorities first covered newlyweds, within a specific percentage; this category would be in a fully defined framework which required that the marriage receipt be presented and that the marriage be of no more than 5 years' duration.

#### A Resumption in Egypt

"Out of concern that justice be ensured, it was decided that the lists of people obtaining housing units be announced and that the date of their marriage be posted on them on the authority's bulletin boards, so that all interested persons could read them and protest within 15 days if they found any violations. This procedure was applied to all the other quotas, and there is no doubt that this method has totally eliminated all suspicions or aberrant acts in the form of favoritism or partiality altogether.

"The second allocation we stipulated for people recently transferred from other towns to Cairo, provided that 5 years not have elapsed since their transfer.

"The third allocation is for people returning from abroad or people who were studying outside Egypt.

"The fourth allocation is for people who have been administratively evicted, that is, people whose homes have been destroyed.

"The fifth allocation is for emergency cases, that is, people who have an urgent need to obtain housing, such as employees who have been transferred to retirement and have left their government homes, on the condition that they not have housing units in Greater Cairo, widows whose husbands have died and have no housing, divorced women, and so forth.

"At the start of this experiment, the allocations for these cases were set at equal levels — that is, each category was allocated 20 percent. However, in practical application, it became apparent that cases of administrative eviction did not exceed 10 percent and that the cases of people returning from abroad or recent transfers did not account for the percentage stipulated for them, and therefore we added these surplus amounts to the allocations for newlyweds, which then rose to 40 percent."

#### The Tendency To Eliminate Exceptions

It was essential that we inquire into the government's opinion on exceptions, and the extent to which efforts were being made to eliminate or review some of them. Our meeting was with Counsellor 'Adil 'Abd-al-Baqi, the minister of Council of Minister affairs and the minister of state for administrative development. He said:

"In talking with you now, my conversation represents a personal opinion on some points you have raised; it does not represent any opinions whose policy has been established by the government.

"My opinion is that all these points you asked about regarding exceptions on university education, regarding purchases in foreign currency in the case of goods for which there are reservation lists, as you stated, or regarding members of the People's and Consultative Assemblies and ministers — my opinion is that I cannot say that these matters have been subjected to general study so that a general principle concerning them can be set out in the context of the government as a whole. However, what I can say concerning the government's view or thinking in general is that exceptions should be totally suspended and eliminated. Logically, this subject requires profound study with respect to each sector in isolation. This is the government's thinking. This is the opinion of the government. To indicate that, for instance, I will not [sic] say that as of 15 May 1980, the date of the formation of the cabinet under the late president Anwar al-Sadat in which Dr Fu'ad Muhyi-al-Din assumed the position of deputy prime minister, there have been no exceptional allocations to any person in any insurance apartments, for instance. That happened previously in some cases, the allocation of some apartments to some persons because of circumstances reviewed by officials when this exception was determined. However, since 15 May 1980 there has not been a single exception; as stated previously, it is possible that an allocation might have been made to a union, as happened in the case of allocations made to the Applied Artists' Union in a building owned by an insurance company. The allocation here had the goal of achieving the public interest, on behalf of a public activity, which of course is not to be considered an exception.

"In addition, the exceptions on telephones were totally abrogated during the term of the current cabinet; no minister or person, no matter how important he may be, can obtain a telephone for his home, except from the [stock of] 1,000-pound telephones. Naturally there are objective rules that determine the ways in which telephones or telexes are to be given out to offices, public stores or investment companies and there is no hint of any exceptions on these.

"These are examples of the government's thinking, which show that it is proceeding in the direction of eliminating the exceptions in each sector, after thorough study, as I said.

"I will deal with two of the points you have raised in light of my personal opinion. I would like the determining factor on acceptance to university to be by specific evaluations on admission to those universities' faculties. Naturally, it will be necessary to study some groups' reactions to this, but the evaluation of this, and the study of the reactions that could be produced by a change in existing policy, should be left to the deputy prime minister for services and the minister of education.

"The issue requires study. Nonetheless, I can state again that my personal opinion is that it is necessary to make a review whereby the prime criterion for acceptance will be the degrees of excellence."



Counsellor 'Adil 'Abd-al-Baqi said, "With respect to the hard currency purchases of some products, those are governed by economic conditions and considerations, and the minister of economy is no doubt better able than I am to evaluate these. However, in general, this system has been to a large degree reduced and is no longer applied on the same broad scale as it was in an earlier stage, in the case of a large number of goods where priority in acquisition went to hard currency.

"Regarding the statement that this method must be governed by rules, there is no doubt that as I said previously this will require study from the economic standpoint, by participation of the minister of economy and the minister of industry. For instance, shares could be allocated to individuals for purchases in hard currency, shares which cannot be exceeded, and one could set out rules which will guarantee that these shares will not be for commercial activity and that they will be strictly for personal use. That is my personal opinion also. However, there is no doubt that the reactions from the economic standpoint and the degree to which the producing companies need foreign currency need to be studied by the minister of economy and the minister of industry, along with the ministers representing the producing firms. I would like to add that there is no doubt that the sum of \$30 million that the Delta Refrigerator Manufacturing Company earns is a substantial one at this time, but the more important matter nowadays is to ask, is it possible for the government to procure this foreign currency through its monetary policy in future years? How long will it continue with this system? Is it expected that it will provide hard currency throughout the 5-year plan? What will be the magnitude of this currency? This will all require study on the part of all the parties concerned, and this will conclude that the volume of foreign currency that has been provided is of a size that can be provided through the banking system.

"In general, the more this free currency is made easily available to producing companies — especially at this time, when we know the difficulties that the government is suffering from in this regard — the easier it will be for these producing companies to obtain new equipment or industrial components that are related to the goods they produce, instead of delaying the execution of certain projects because of the inability to procure hard currency at the official price, which compels some companies to buy currency through channels other than accredited banks so that they can have their production plan carried out on schedule.

"While I stated that this is desirable, at least at the present time, that is not to avoid saying that that must not be at the expense of affecting the local market in a manner that will be burdensome to it."

#### We Belong to the Middle Class

In a quick meeting, Muhammad Rashwan, minister of state for People's Assembly Affairs, said,

"At the outset I would like to point out that the majority of People's Assembly members belong to the middle class, or the toiling class. The statements that are made on the special privileges of members are something that is undoubtedly strange; when a member of the People's Assembly requests that a telephone be

set up for him in his home, these always are, isn't that to make it easy for him to carry out his prime task, which is to serve the masses in his section or the people in his area? Doesn't that require that there be numerous telephone communications? When a member of the People's Assembly asks to be exempted from the cost of his communications, isn't that to facilitate his performance of service for the masses? He receives dozens of letters and he must answer them. When a member of the People's Assembly asks for a car for his constant travels, or let us say just to go from his district headquarters to the assembly to attend sessions, isn't that to be considered a facilitation of the performance of his task? On the points you raise on refrigerators, the decree does not give this exception to members in themselves; a member cannot just go and ask for a refrigerator every 3 months, without presenting strong justifications to the vice chairman of the People's Assembly stating the reasons for his request, and that is usually for very humanitarian reasons, which for the most part are connected to illness. What you call exceptions are in themselves similar to what other unions such as the Doctors' Union, the Journalists' Union, and the Foreign Trade Union are permitted."

#### The Economic View

On the special exceptions on hard currency reservations for some products that are important to the citizens, and the priority in obtaining goods that the person making reservations in hard currency enjoys, Dr Mustafa al-Sa'id, the minister of economy and foreign trade, said:

"People who raise this sort of issue must first ask themselves if the government should encourage exports or whether it should take the position of onlooker, realizing the extent of the difficulties facing the foreign exchange budget, whose burden will be added to the inevitable indices caused by the drop in oil prices.

"Then they must go on to wonder how public sector industrial companies can deal with their own manufacturing plans, which require increases in the volumes manufactured at each stage, in order to cope with the increase in demand for the goods produced. Must these companies look for hard currency in the black market, at its high prices, or must they act to obtain this currency in the legitimate manner at the official stipulated price, which is 84 piasters?

"The answer no doubt will come down to the point that reservations in hard currency are exactly the same as exports and that in order to increase its revenues the government must encourage exports, not put restrictions and impediments on them.

"This issue does not go beyond the organization of the economic policy by which the government encourages the remedy of the crisis of the provision of foreign currency for more construction and production.

"In addition, the people who control these companies must take stock and account of the fact that they should not ignore the rights of the local market, in the sense that if the demand for reservations in hard currency exceeds a specific percentage, then the reservations in hard currency should be met by turns, in the context of the shares allocated for them."



## The Issue of Exceptions and the Law

Finally, there remains the view of the law regarding the phenomenon of exceptions in Egypt. From this angle, Dr Ahmad Fathi Surur, professor and chairman of the Department of Criminal Law at Cairo University, who at the same time is one of the most brilliant experts on crime in the world, spoke, stating,

"The issue of exceptions is one of the most important subjects in developing societies, because this type of society's degree of growth depends in the citizens' feeling of equality before the law, equality of rights and obligations, and equality of opportunity. The notion of equality here is not just giving citizens equal positions — it is an essential notion, to encourage citizens to continue to move the wheels of life forward, in the behalf that they are equal and that they all receive rewards and penalties on an equal basis, in accordance with a single criterion, which is their ability and worthiness. The day that ability and worthiness are the only criterion for rewards and punishments, they will become a strong incentive to produce and will also be a great factor in the acceptance of all the consequences and the difficulties of life.

"On that basis, equality is not a strange refrain or mere perverse behavior that is to be realized — rather, it is a necessary rule. If we closely examine the actual state of things, we will find that exceptions for the most part are of four kinds:

"Group exceptions.

"Exceptions in the form of compensation.

"Encouragement exceptions.

"Exceptions through the intercession of intermediaries.

"The first three types of exceptions are generally stipulated either by law or by administrative decree issued by a competent body. An example of group exceptions is the exceptions granted to the children of men who work in the area of university education or the children of people working in some other bodies. The second type of exception, which is considered a sort of compensation, consists of benefits granted to the children of war dead or their families, or exceptions granted to people who win championships in athletic events. As regards people obtaining encouragement exceptions, one example of those is the exemptions granted to people on fellowship after they return; that is a type of encouragement to continue to live inside the country, in order to reduce the burdens of life here by letting people receive academic leaves. As far as this third type of exception goes, that is stipulated by law or by administrative decree by the competent body. The last type is a sort of exploitation of influence which the person who has it gets by virtue of his ability or his connections. That is the most dangerous type of exception.

### I Reject Exceptions for the Children of Professors

"When we deal with the issue of exceptions, I will consider the first category from one angle and deal with the second from another one. As far as the first

category goes, I can stipulate at the outset that exceptions are improper, vile and frivolous, because they are to be considered damaging to the equality among citizens in terms of rights and obligations, and indeed equality among citizens in opportunity and in life. If we apply this judgement to group exceptions, we must reject them totally. As far as the children of people in education go, we can state that the justification for stating that the academic environment in which they live might be an incentive for them to make up the shortcomings that they have suffered from, and that it is not appropriate for people who serve education to be prevented from educating their children in the manner they consider appropriate, my answer to that is that it would be proper for the people who serve education to create a model for other people in their own children and that that can be done by their attitude of refusing exceptions for their children, providing instruction of another type for the other generations by refusing to accept exceptions for their children. This situation applies to all other group exceptions.

"To guarantee that every group realizes that the people in it are not violators of the law and that they do not depend on exceptions, indeed will seek to strengthen their children and provide them with the necessary elements for attaining a proper status which they can enjoy by sound methods, and not by letting luck be their support in attaining this status (by luck I mean the fact that they belong to a specific group), I therefore demand that a start be made in eliminating all group benefits, whatever they might be.

#### We Must Preserve This Exception

"Regarding the second type of exception, which is considered similar to compensation, I would like to pause in order to analyze this type of benefit. If the benefit is considered compensation, there is nothing wrong with it; at that point, we are dealing not with exceptions but with a sort of material compensation. The children of war dead have lost their source of support through an act of sacrifice for the nation; if their source of support had been alive, he would have been able to raise them in a manner that would have been more appropriate than the one they faced. Since they have been deprived of their source of support, through an act of sacrifice to the nation, the nation must compensate them for this deprivation; one form of such compensation could be to give them an opportunity for a life that they could have had if their source of support had remained alive. Therefore do not consider this type of exception to be a real one; rather, it is a type of material compensation which we appreciate and which must remain as it is, in its capacity as compensation, not as an exception.

"With regard to the third type of exceptions, encouragement exceptions which are offered to certain bodies to encourage them to continue along the road they have started to travel, this is to be considered a sort of facilitization. Customs exemptions offered to persons on fellowship when they return are not an exception to the principle that citizens should be subjected to tax burdens — rather, they are also a way of providing a portion of government money to the person on fellowship, in order to take him by the hand in starting out on life. This share of money appears as a customs exemption, because this exemption undoubtedly entails letting him save a specific sum of money. Consequently,

these types of encouragement exceptions which manifest themselves as reductions of the burden on some groups, to encourage them, must each be studied separately, and the cases that can be considered the equivalent of compensation from the government to encourage the people who receive them to continue along a certain road should remain: that is one of the government's obligations toward the citizens; it is the obligation to reduce burdens on citizens in the course of their lives.

#### Chaotic Exceptions

"Exceptions that depend on the exploitation of influence and mediation are to be disdained and prohibited, indeed are crimes in the legal sense. The criterion for exceptions must not be influence or the ability of the person involved to have decrees passed that will guarantee him an exception. That is destructive in fact and in blatant form, of the principle of equality among citizens; indeed it encourages citizens to be hypocritical and self-promoting, and it spreads the greatest of curses throughout society. In fact, it shakes citizens' confidence in their self-confidence and impairs the abilities of young people. It closes the door of hope to everyone, because it is hope that must be their pillar of work, production and personal ability, and not hypocrisy, self-promotion, or the ability to win over hearts, satisfy people or satisfy people's whims. Most unfortunately, this type of benefit has become widespread, and the most recent cases that are severely shaking the role of the courts have revealed many tragedies. At this point I absolutely do not favor having some members of the People's Assembly send out further applications from ministers to obtain various approvals under the guise of serving the people or serving people in the district. The people in the district must receive their rights by law; reaching the People's Assembly must not be a price for receiving benefits, nor can a member of the People's Assembly believe that insofar as he violates the law and acquires benefits, he is satisfying the people in his district or the people of his area. Most unfortunately, we find people knocking on ministers' doors for the sake of receiving exceptions, to the point where the ministers are oppressed by the burden of these exceptional applications. This is all in violation of the law and must be limited.

#### Violation of the Law Is the Rule

"The issue is one of atmosphere. When an atmosphere of corruption spreads through our country, violation of the law becomes the rule, the use of intermediaries becomes the system, and worthiness becomes the least of the systems. Here, in this corrupt atmosphere, carbon dioxide takes the place of oxygen, and at that point capable persons flee and only self-promoters and hypocrites remain. This is the greatest curse of the society.

"In my capacity as a specialist in the science of crime, I can state that the curse of exceptions is to be considered an element of aberrant conduct and the promotion of bribery, because bribery, which is the purchase of people's integrity, spreads when people lose faith that they can obtain what they deserve on the basis of right alone. At this point, when people feel that they need new unlawful weapons, as well as their own rights, they resort to the use of intermediaries to obtain unlawful benefits, that is, to obtain exceptions. In fact, it is not a condition that a person be entitled to receive an exception; therefore,

if the persons who has a right is on a par with one who does not have one, that is a warning to the society that its values will be shaken and that there is no deterrent law or justice that anyone can believe in."

#### Cooperative Societies Have Also Exploited Exceptions

Productive cooperative societies have also obtained a number of exceptions which stipulate some customs exemptions for the equipment, machinery, and spare parts the members of the societies need, provided that those be sold to them at the cooperative prices. Some people have used the existence of these special exemptions as an opportunity by which to obtain much equipment, especially finishing equipment for cooperative societies for the owners of fishing boats and automobile equipment for cooperative societies for the transportation of goods by vehicle. These people have managed to sell this equipment on the black market at several times its price, even though they received customs exemptions!

#### 18 Apartments Allocated to People Who Are Not Entitled to Them in One Insurance Company Alone!

The investigation in a single case on aberrant conduct, the case of 'Ismat al-Sadat and his sons, unearthed 18 cases of exceptions to which apartments were allocated in a single insurance company. The apartments allocated to people who were not entitled to them are located at the following addresses:

Apartment 92 in the building at 19 'Adli Street, Cairo.

Apartment 91 in the building at 19 'Adli Street, Cairo.

An apartment in the building at 16 Latin America Streets.

An apartment in the building at 9 Ma'ruf Street.

An apartment in the building at 1 al-Salsul Street.

Apartment 37 in 41 Tal'at Harb Street.

An apartment in the building at 31 Latin America Street.

Apartment 10 in the building at 19 'Adli Street in Cairo.

An apartment in the building at 9 'Abd-al-Khaliq Tharwat Street.

Apartment 32 in the building at 1 Tal'at Harb Street.

An apartment in the building at 18 Latin America Street.

In addition, seven other apartments in various areas of Cairo have been allocated to persons who for the most part are not entitled to them; the allocations for most of these apartments were issued by the Office of the President between 1973 and 1976.



# RESULTS OF SURVEY OF UNIVERSITY DRESS REPORTED

Cairo AL-AHRAM in Arabic 18 Mar 83 p 9

/Survey conducted by Mahmud Murad: "AL-AHRAM Conducts Big Survey on a 'Human, Scientific, and Moral' Issue: Standardized University Dress: What the Students and Parents Say About It"/

/Text/ The results of the survey confirm that 66 percent of the sample included in the study, which consisted of 850 students, parents, and university professors, approve of the standardization of university dress. However, this percentage differs for each group. For example, we find that only 56 percent of the students approved versus 78 percent of the parents. Some 68 percent of university professors approved of standardization.

Within these percentages, the picture is made clearer by additional details brought out through the examination of the questions contained in the survey and the responses to these questions. The survey consisted of the following question: "Do you approve of the standardization of university dress for students?" The respondents were asked to place a check mark in one of the boxes preceding four different responses, which were:

1. I do not approve.
2. I approve of the standardization of dress within each university.
3. I approve of the standardization of dress within each individual college.
4. I approve on the condition that the students' view on the matter be sought.

Thus, the single question had four secondary responses, each with its own significance. At the same time, the first response stands on its own since the selection of this response indicates disapproval while the other three responses indicate approval.

## What Were the Responses?

Some 293 members from all groups (students, parents, and professors) disapproved of standardization. This represented 34.5 percent of all respondents (850). The largest percentage of those disapproving came from the student group.

The total number of students who disapproved was 174, representing 43.5 percent of all students participating, 59.4 percent of all individuals who disapproved, and 20 percent of the total sample (850).

The parents constituted the smallest percentage of those who disapproved of dress standardization. Only 55 members of this group disapproved, most of whom were mothers. This represented 22 percent of the 250 parents participating in the survey, 18.8 percent of all who disapproved, and 6.5 percent of the total sample (850).

The university professors expressed an opinion that differed considerably from that of the students and was close to that of the parents. Only 64 of the professors did not approve, representing 32 percent of their total number (200), 21.8 percent of all who disapproved, and 7.5 percent of the total sample.

There were 169 respondents who approved of standardization of dress within each university. This represented 19.9 percent of the total number (850). The details are as follows:

Only 62 of the students approved of this view, representing 15.5 percent of all students, 36.7 percent of all those in the sample who approved of this opinion, and 7.3 percent of all members of the sample.

As for university professors, 51 of them expressed this view, representing 25.5 percent of all professors, 30.2 percent of those in all groups who held this view, and 6 percent of the entire sample.

Some 162 members from all three groups approved of standardization of dress within each individual college. This represented 19.1 percent of the entire sample. The breakdown on this is as follows:

Some 76 students chose standardization of dress within each college. This represented 19 percent of all students, 46.9 of all individuals who held this view, and 8.9 percent of the entire sample.

The same opinion was held by 23.6 percent of the parents, representing 36.4 percent of all from the three groups who held this view and 6.9 percent of the entire sample.

Only 27 of the university professors held this same view. This represented 13.5 percent of all professors, 16.7 percent of all members of the three groups who approved this choice, and only 3.2 percent of the entire sample.

We arrive at the last response, which consisted of approval of the unification of dress on the condition that the students' opinion on this matter be sought. Here we find important indications, since 226 individuals, or 26.6 percent of the entire sample, held this view.

Some 88 students approved of this option, representing 22 percent of all students, 28.9 percent of all individuals from the three groups who held this view, and 10.4 percent of the entire sample.



In addition, 80 parents approved this option. This represented 32 percent of their number, 35.4 percent of all who held this view, and 9.4 percent of the entire sample.

Of the university professors, 58 individuals held this view. This represented 29 percent of the professors, 25.7 percent of all who shared this position, and 6.8 percent of the entire sample.

#### What Do These Responses and Percentages Mean?

It is self-evident that the language of numbers is the most accurate language because the meaning of numbers is definite and is not subject to differences in interpretation, even when differences interpretation are probable!

Initially, a number of important facts can be deduced. These are as follows:

1. The important percentage in the survey reveals that 66 percent approve of the standardization of dress versus 34 percent who disapprove. Therefore, this confirms the need to adopt this decision on the condition that it be modified in the light of scientific indicators such as those contained in this survey.

2. The students are the targeted group, and therefore they form the group that is most opposed to the standardization of dress, with 43.5 percent of all students against the measure. In our opinion, this is attributable to three main factors:

- A. The love of appearance among the youth and the desire to stand out from others, even though there are other features that are more distinguishing!

- B. Automatic rejection of being molded into one form with one type of dress and one set of instructions without the opportunity to change or "be free."

- C. The economic and social dimension. It is not in the interests of members of the well-to-do class to "be equal" to others. Members of the middle class also want to be different from the lower class, while acknowledging--or perhaps obstinately refusing to acknowledge--the difference of an upper class! Members of the lower class--and I do not wish to say the poor class--may be ashamed to admit their poverty or their inability to keep pace with others. For this reason, the approval on the part of the students was not unanimous or overwhelming but rather by a relative majority, which reflects the fact we mentioned that "dress" has gained "importance" in the university precinct while importance should be attached to knowledge along as occurs in the advanced countries of the world.

3. By interpreting the previous responses, it is clear to us that the most prominent view was that which said that the detailed opinions of the students should be sought. From this it is evident that issuing a decision without seeking the opinion of those who will benefit from it or who are the target of it will meet with "nonacceptance" and rejection while the opposite will occur if the opinion of the student rank and file is sought and they are not

disregarded. All groups strongly advocate this, and particularly the students themselves as the targeted group. They represented 38.9 percent of all who held this view, followed by the parents with 35.4 percent. The professors, on the other hand, represented only 25.7 percent of this group.

We proceed with the responses through new relationships revealed for us scientifically and objectively by the survey:

First, the university students of both sexes:

Some 400 students participated and their responses were as follows: Some 174 or 43.5 percent of all students said they disapprove while 226 or 56 percent said they approved. About 15 percent approved of standardization of dress within each university, 19 percent approved of standardization within each college, and 22 percent approved on the condition that the students' opinions be sought.

Second, parents of both sexes:

Some 250 participated, with 55, or 22 percent, saying they did not approve and 195, or 78 percent, saying they did approve. Of those who approved, 22 percent approved of standardized dress within each university, 24 percent within each college, and 22 percent said they approved on the condition that the opinion of the students be sought.

Third, university professors of both sexes:

There were 200 professors participating in the survey. Some 64 professors or 32 percent said they did not approve(!) and 136, or 68 percent, said they approved. Some 25 favored standardization of dress for each university, 12 percent favored it within each college, and 29 percent approved with the condition that the students' opinions be sought.

One after another, the figures reveal the interwoven relationships that express the thinking and views of the three groups. If their language is accurate, we set aside space for them in electronic computertables so that they can provide indications and shed light on the road that lies before all who seek additional analysis, before students of society and its relationships, before those concerned with the issue of youth and the university students in particular, and first and foremost before those responsible for education and the shaping of humanity.

It is not just attire. Rather, it reveals what is inside a person just as much as it covers his skin. It reveals the true nature of the human soul--its inclinations, desires, and basic constituents. This true nature is asserted if a person is able to choose and select what he will buy and wear. It screams out external meanings if the "research" centers on youth, because the meanings of affirmation of self are intermixed with vitality and love of appearances. How much goes on in the "inner mind" and is openly expressed by a certain activity, a certain look, or a certain dress!

On this basis, AL-AHRAM conducted a wide survey on the proposal for the standardization of university dress for students as a vital issue which is not only linked to the outward form but also reflects what is under the clothing. What makes this even more important is the fact that the subject

is the university with its sacred precinct in which only knowledge and the desire to attain it should be elevated--certainly not public demonstration and pride or tradition and rivalry. There is no need to say that this leads to a turning away from knowledge and, even more so, from morality!

University dress, therefore, is a "human, scientific, and moral" issue. It is very easy to judge it considering only the general thinking of society and its viewpoint or listening to a few opinions from here and there. However, we employed a "democratic and scientific" method so that the sides connected with the issue could express their opinions in confidence and without the slightest influences. After this the laboratories of statistics, research, and analysis intervened with all the neutrality and objectivity of science.

Thus, the survey included 1,000 university students of both sexes, parents, and university professors. However, 150 forms were disqualified because they proved to be invalid. Thus, the analytical laboratories proceeded with:

--the first group consisting of 400 forms completed by 400 students from universities in Cairo, 'Ayn Shams, al-Azhar, Alexandria, al-Minya, Sawhaj, the Suez Canal, al-Minufiyah, and Tanta in order to allow the expression of all student trends in both the rural and urban areas.

--a second group consisting of 250 forms completed by parents of university students, including both fathers and mothers from the various governorates according to the percentages of university students in the governorates.

--a third group consisting of 200 forms completed by 200 professors of both sexes from the various universities.

Therefore, the final size of the survey sample was 850 individuals. The students represented the largest group (400) since they are the basic targeted group. They were followed by the parents (250), who must endure the requests to buy clothes and the anger or pleasure of the students. The smallest group was the university professors (200), who are the main side in the university precinct in addition to being the individuals responsible for education and the conscientious observers of both the positive and negative things that go on in front of them.

After the collection of the forms and the disqualification of those that are invalid, the schedules and tables were prepared according to the questions and they were then given to the (AMAK) computer center at AL-AHRAM so that the computer could undertake the task of deriving the results in numbers and percentages. For this reason, it can be said that the conclusions that were derived and are published on this page are a completely accurate and completely reliable representation of the opinions of the sides connected with the issue of university dress, the foremost of which is the students. Based on these results, decision makers and officials can act confidently and those involved in studying youth can rely on this scientific source.

Table 1 gives the number in each group and the numbers and percentages of their responses, which reveals their views in detail. One should note the

high percentage of people who wanted the students' views on standardized university dress to be sought so that they could not be forced to wear clothes that conflict with taste or the uses of daily life. The table gives an indication of the need for "the participation of the individual in the determination of that which effects him."

Table 2 gives the response of each group to the proposed questions and the percentages of these responses in relation to the whole group, to all those who expressed the same view, and to the entire sample (850 people).

Table 1

Group	Disapprove	Approve for Each University	Approve for Each College	Approve Providing Student's Views Are Taken	Total Who Approve	Total In Group
University Students	174 43%	62 15%	76 19%	88 22%	256 56%	400
Parents and Guardians	55 22%	56 22%	59 24%	80 32%	195 78%	250
University Professors	64 32%	51 25%	27 13%	58 29%	136 68%	200
Total	293 34%	169 20%	162 19%	226 27%	557 66%	850 100%



Table 2

Group	Disapprove	Approve for Each University	Approve for Each College	Approve Providing Student's Opinion Are Sought	Size of Group
<u>Students:</u>					
Number Choosing This Response	174	62	76	88	400
Percentage of This Group	43.5%	15.5%	19%	22%	47.1% of entire sample
Percentage of All Who Held Same View	59.4%	36.7%	46.9%	38.9%	
Percentage of the Entire Sample	20.5%	7.3%	8.9%	10.4%	
<u>Parents and Guardians:</u>					
Number Choosing This Response	55	56	59	80	250
Percentage of This Group	22%	22.4%	23.6%	32%	29.4% of entire sample
Percentage of All Who Held Same View	18.8%	33.1%	36.4%	35.4%	
Percentage of Entire Sample	6.5%	6.6%	6.9%	9.4%	

Group	Disapprove	Approve for Each University	Approve for Each College	Approve Providing Student's Opinions Are Sought	Size of Group
University Professors:					
Number Choosing This Response	64	51	27	58	200
Percentage of This Group	32%	25.5%	13.5%	29%	23.5% of entire sample
Percentage of All Who Held Same View	21.8%	30.7%	16.7%	25.7%	
Percentage of Entire Sample	7.5%	6.0%	3.7%	6.8%	
Overall Results:					
Total Supporting This View	293	169	162	226	850 (100%)
Percentage of the Entire Sample	34.5%	19.9%	19.1%	26.6%	

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CSO: 4504/259

EGYPTIAN INTELLECTUAL DISCUSSES HIS COUNTRY'S ROLE IN MIDEAST CRISIS

Cairo AL-AHALI in Arabic 9 Mar 83 p 5

[Article by Lutfi al-Khuli: "The Egyptian Question at the Present Time and for the Foreseeable Future: The Responsibility of Making a Choice"]

[Text] There are two different points of departure involved when dealing with the "Egyptian question."

The premise of the first one is that if Camp David is what isolates Egypt from the other Arab nations, then Egypt can regain its importance in the Arab world only after eliminating the thing which is isolating it, and this cannot be logically conceived to occur without Cairo openly renouncing its commitment to the Camp David agreements. The premise of the second point of departure is that, if Egypt regains its importance in the Arab world--in view of the current circumstances of Egypt and the other Arab nations--this is what will create the objective circumstances for blocking and putting an end to the Camp David process.

The question now is: Which of these two points of departure should we choose?

The choice that it is necessary for us to make at this point is, of course, a political choice and consequently transcends one's own personal desires and hopes and, instead, takes into account the objective circumstances and possibilities of Egypt and the other Arab nations as well as the power relationships both in the area of conflict and in the rest of the world between the local and international parties involved. And all of this must take into account the status quo as well as probabilities and expectations for the foreseeable future.

We note that, in spite of the difference in the premises of each of these two points of departure, they are nevertheless in agreement about the fact that the main field of battle is the Egyptian arena--rather than any other Arab country or arena--where the Camp David agreements are in effect.

Therefore the patriotic pan-Arab forces in the Egyptian arena, although they do not have the power to make this choice, are at the least still the decisive factor in turning the tide when the choice is to be made.

Unless the Arab world acknowledges this fact, we will continue to be wasting our time and effort on non-essential disputes concerning which of the two is a means and which of the two is a goal--putting an end to Camp David or having Egypt regain its importance in the Arab world. If we do this, this means that, toward the end of the twentieth century, we will be engaging in disputes like those the ancient Byzantines engaged in when the issue was: Which came first, the chicken or the egg? As the Byzantines were engaging in such disputes, their enemy was continuing his advance and besieging them. In our case the enemy has nearly completed its siege, has actually penetrated our lines, and has politically, economically, and militarily established himself inside our own back yard.

A reading of the events which have taken place from the time Sadat travelled to occupied Jerusalem up to the present day when, now that Sadat is gone, Egypt has a regime in which the institution of the presidency differs from the other institutions which are still Sadat-oriented reveals that two different positions have been held by the Egyptian patriotic forces with regard to choosing between these two points of departure.

The first position was the one taken by the Egyptian patriotic movement from the time of the ratification of the Camp David agreements, which are known as the Egyptian-Israeli peace treaty, till the time that Sadat was assassinated in October 1981. It was a position which was quite close to the first point of departure since its slogan was to abolish the Camp David agreements because this was considered to be the prelude to putting a halt to the political, social, and economic heresy that was being pursued by the Sadat regime in Egypt as well as abroad--the latter being embodied by allying Egypt with the United States, making peace with Israel under the umbrella of the United States, and isolating Egypt from the other Arab nations and from the PLO which is the sole legitimate representative of the Palestine people.

This position was a natural sorting out process which resulted in a situation of sharp polarization between the parasitic isolationist forces of the regime and the forces of the patriotic movement with their various trends. This position also interacted with the positions taken by the Arab regimes which met at the summit meeting in Baghdad, the commitment to resist and bring about the downfall of the Camp David policy, the emergence of the Steadfastness and Confrontation Front which considered itself to be the principal front leading the resistance to the Camp David policy, in addition to all of the large-scale activity engaged in by the Arab masses in response to all of this.

In spite of the disunity which afflicted the nations which met at Baghdad, the negative phenomena which affected the Steadfastness and Confrontation Front, the restrictions, pressures, and fragmentation which Arab mass movement organizations began to suffer from, and the fact that the Arab boycott of the Egyptian regime quite often spilled over into becoming a boycott, in practice, of the Egyptian people, the [Egyptian] patriotic movement nevertheless held to the choice which it had made, and it did so because of the will of the [Egyptian] masses. The Camp David policy, with its strategic goals and tactical approaches, remained the policy

which oriented and guided the ruling regime in Egypt--especially the Sadat-oriented institution of the presidency--with regard to internal matters, matters concerning the Arab nations, and international affairs.

This position prevailed in the movement even after Sadat was assassinated and continued to prevail for about the first 6 months of Husni Mubarak's administration.

The second position began to prevail in the patriotic forces' movement, to varying degrees, after the end of the first 6 months of Mubarak's administration (till the second [Israeli] evacuation of Sinai in April 1982). This second position has become the predominant one at the present time and is a position which has come to be closer to the second point of departure rather than the first point of departure.

This switchover from the first point of departure to the second point of departure was caused by a series of factors and changes which intensified and became intermeshed during the limited period of time which passed between Israel's refusal to withdraw from the Egyptian Taba area in Sinai, the massacres at Sabra and Shatila, the Israeli invasion of Lebanon, the exit of the PLO forces from Beirut, and the second Arab summit meeting at Fes which issued what came to be known as the Arab peace plan.

These factors and changes could be summed up as being the failure of the Arab states which met at the Baghdad summit meeting to carry out their commitments concerning resisting and bringing about the downfall of the Camp David policy, the lack of effectiveness of the Steadfastness and Confrontation Front, and the failure of most of the Arab regimes, which were capable of doing so, not only to resort to the military option, but also even to utilize the financial and oil weapons which they had available. The war in Lebanon, during which the forces of the Palestinian revolution and their allies from the Lebanese patriotic forces had to fight on alone for 77 days while being encircled by the U.S.-Israeli alliance, revealed how much the Arab situation has deteriorated and how incapable the Arabs have become of taking any action or initiative--a state of impotence which, with its heavy chains and shackles, also has affected the Arab liberation movement groups and their masses.

Into the framework of these factors and changes one must also include the occurrence of the general agreement among all of the Arab regimes, with their various trends and previous positions (except for Libya) concerning proposing an Arab peace plan, for the first time in history, to solve the Arab-Israeli conflict. The plan was agreed to by the PLO after it had managed to participate--by virtue of the limited strategic victory which it had achieved in the war in Lebanon--in the development and drafting of the paragraphs and provisions of the peace plan.

But this Arab peace plan is nevertheless a product of the general state of Arab decline in the face of the escalating power of our aggressive enemy who is being supported by the United States. In the words of William Quandt, the United States has been the "godfather" both of the first Camp David



agreement (made by Sadat, Begin, and Carter), and the second Camp David policy which is embodied by the Reagan peace plan which was announced on 1 September 1982 on the eve of the exit of the Palestinian revolutionary forces from West Beirut.

During this period of time, in the Egyptian arena new political and social factors and changes were being created which, slowly but surely, began to result in a difference in trends and actions taken between the new [Mubarek] institution of the presidency and the other Sadat-oriented institutions of the regime in which parasitical and isolationist elements predominated. These changes and factors also began to give rise to a more effective presence demonstrated by the patriotic movement.

With the emergence of a (still limited) relative degree of interaction between the institution of the presidency and the forces of the patriotic movement, it has become possible to make decisions, in a pan-Arab patriotic spirit, to deal both with parasites and with Israel's way of interpreting the Camp David policy. The effects of these decisions have resulted in (also still limited) changes of a positive nature in Egypt's relations with the other Arab nations, the PLO, the nonaligned nations, the United States, and the Soviet Union.

This was the occasion for most of the forces in the Egyptian patriotic movement discovering that they had realistic capabilities, which could be developed, of blocking the Camp David policy. They felt that they could accomplish this by means of waging a battle against the Camp David policy which would be patient and would use a variety of methods and approaches. Since waging this battle necessarily also involved challenges which were simultaneously Egyptian and Arab challenges, it became necessary to create an effective formula for bringing together both the Egyptian and Arab forces on the various levels in the battleground in the Egyptian arena. And it was necessary to do this without utilizing traditional official diplomatic channels.

This is what precisely constitutes the art of the possible when dealing politically with the "Egyptian question" under present circumstances and when attempting to restore Egyptian-Arab solidarity in the arena of battle and action.

In light of the choice between the two points of departure, it is possible to determine the urgent task which the Egyptian patriotic forces can mobilize their capacities to accomplish in order to create a possible realistic solution to the Egyptian problem at the present time in the Arab world. This can be done by combining and developing both Egyptian and Arab capabilities of waging a strategic battle against the first Camp David policy, which the Egyptian regime still adheres to, as well as against the second Camp David policy, which the United States is intent on imposing on the Palestinians and all of the Arabs.

When we speak of the strategic battle against the Camp David policy, we are speaking of resisting and annihilating the hegemony which the U.S.-Israeli

alliance has in the Arab world, regaining full Egyptian sovereignty over Sinai, the evacuation of all Israeli occupation troops from a united Arab Lebanon, the establishment of an independent Palestinian state, under the leadership of the PLO, in all parts of the Gaza Strip and the West Bank, including Jerusalem, the creation of political, military, and economic unity among the Arabs in practice--a unity which will be governed by a united view which, by means of a democratic dialogue in which the masses effectively participate, will be based on a composite of common national interests which exist among the Arab nations, no matter what the nature of their existing regimes might be--and rectification of relations between Arab countries and the other nations of the world, on the basis of the principles of nonalignment.

When we talk about a possible realistic solution to the Egyptian problem, we mean that Egypt should regain its health as far as its masses and production are concerned, and it should regain its natural historical role in the region--which was that of the spinal column of the body of the Arab world. If this happened, it would put an end to the strategic imbalance which exists in the relations between the forces in the region --an imbalance which is favorable to Israel. This imbalance is the result of the fact that Egypt is still isolated from the Arab world and also of the fact that the Arabs still need Egypt.

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REPORT ON 'DAWN' MILITARY MANEUVERS

Cairo AKHIR SA'AH in Arabic No 2526, 23 Mar 83 pp 9-10

/Article by Usamah 'Ajaj: " 'DAWN': What Happened in the largest Egyptian Maneuver? Encounter Battle Between Second and Third Armies with Missiles, Tanks, Paratroops and Aircraft"/

/Text/ AKHIR SA'AH stayed for ten full days with the men of the armed forces in the Second and Third armies in order to record the events of the largest maneuver conducted by the armed forces. It was named the "DAWN" maneuvers.

The air defense forces, armored units, and forces from the paratroops, commandos and electronic warfare participated, with support from the air arm.

The maneuvers continued for six full days, and as stated to AKHIR SA'AH by Major General Mustafa Mahmud Ahmad, chief of the Armed Forces Training Organization, their operations included five specific /objectives/: Raising the level of readiness for the formations and units; each side forming into a grouping and then taking measures to gain an advantage over the other in order to cross water obstacles; dispatching the main detachments to achieve superiority over the other side in order to cross the water obstacles, along with dispatching detachments to attempt to take up defensive positions; and having both of the forces attempt to capture a vital area with a forward thrust, where an encounter /clash/ battle took place between them, and afterwards developing the offensive /capability/ in order to capture a vital line; and the final stage, attempting to repel the attacks and to maintain and consolidate their positions.

The concept of the encounter battle, which was one of the important stages in the maneuvers, was based on effecting a type of actual field confrontation between the two armies. The command of each army was charged with overall operation of the battle with complete freedom according to the circumstances and variations existing on the battlefield, lacking any information about the other side.

The strategic missions of the DAWN maneuvers were set, as stated by Mayor General Mustafa Mahmud, to measure the overall readiness of the forces and to maintain combat capability, along with developing methods of military thinking.

and developing combat and training methods by taking advantage of the experience of others. In these maneuvers, the principles of combat training --progression, mixing and realism--were put into effect, starting from the individual troop up to joint operations in which all of the specialized arms of the ground forces and the air, air defense and naval forces participated in order to operate together in a comprehensive training exercise.

Thus, guidance came down from Field Marshal Muhammad 'Abd-al-Halim Abu Ghazalah, minister of defense and commander-in-chief of the Armed Forces, for the planning and the preparation for the maneuvers. The bulk of the forces were to participate in them, including the mobilized forces. With instructions issued by Lieutenant General 'Abd Rabb al-Nabiy Hafiz, Chief of Staff, planning the maneuvers on this vast scale was set, which embodied the peak of the joint modern training attained by the armed forces.

#### Huge Air Landing

One of the stages of the maneuvers was an air landing operation by commandos and paratroops to destroy a Hawk missile site. It clearly shows the cooperation between the air force and the paratroop and commando units.

The landing was carried out by means of helicopters of various types, among them: Huge American C-130 transports; Canadian Buffalo heavy transports; Italian Chinooks; and Soviet helicopters which are still operating in the service of the armed forces, such as the MI-8 and the Commando. The landing operations took a half minute to complete, including the landing of the forces and taking up of positions.

This was one of the few times the air force has carried out air landing operations for heavy equipments which included more than just jeeps and some cases of ammunition.

Sukhoi-7, Mirage and MiG aircraft also participated, providing air support by bombing the opposing side's artillery and forming an air umbrella, through which the helicopters were able to complete the air landing operation with stunning success in spite of weather conditions and very high wind speed.

As a result of Second and Third Army combat operations, the Second Army landed a group of paratroops to control one of the defiles in order to cover its forces being sent through this defile. The commander of the Second Army participating in the maneuvers ordered this force to destroy and block the defile in order to prevent "enemy" movements. Therefore, it was necessary to deal with it by means of fire from tanks, artillery and mortars, as well as machine guns and small arms, with the aim of refining the skills of the personnel and training them in the full grasp of combat operations with live ammunition. The training organization, the research organization, and the center for study of operations used a computer to study the maneuvers from all combat aspects and to make decisions pertaining to the commanders, along with studying the benefits /learned/ from mistakes which may arise as a result of combat operations.

#### Remarks of the Commanders

During the stages of the maneuvers, Field Marshall Muhammad 'Abd-al-Halim Abu Ghazala boarded a Gazelle aircraft to observe the situation of the forces. He returned to confirm for AKHIR SA'AH that through this investigation, he had become certain that the commanders would draw full benefit from the mistakes that occur in the training exercises that are carried out extensively throughout the year.

Lieutenant General 'Abd Rabb al-Nabiy Hafiz, chief of staff, also stated, in commenting on the results of the firing, that it was very good especially after integrated coordination was carried out among the paratroops, commandos, air force and armor. He further said that that is especially important in carrying out any missions assigned to the armed forces, since its mission in peace time is planned training in which all elements participate.

The chief of staff also stated that the firing was done from fortified positions and tanks and with limited amounts of ammunition.

Abu Ghazalah emphasized that the maneuvers were not directed against any nation and had no connection to any political situation in the region. He denied that the armed forces are preparing themselves to be rapid deployment force, because "we build our forces for self-defense." However, this does not prohibit intensifying the training of the forces to carry out their role in facing any foreign threat.

It is certain, as Field Marshal Abu Ghazala asserted, that the maneuvers went well, and that the final results of the maneuvers will be analyzed and evaluated in order to draw the most complete benefit from them.

9605

CSO: 4504/292



MINISTER OF INTERIOR REPORTS ON CAIRO TRAFFIC SCENE

Cairo AL-JUMHURIYAH in Arabic 30 Mar 83 p 4

/Article: "Abu Basha in the People's Assembly: "Cairo Choking to Death, Multi-Story Garages Within Two Years; 5 Million Traffic Violations and Misdemeanors in One Year; 4 Bridges in Cairo and al-Gizah to Solve Traffic Problems"/

/Text/ The People's Assembly, in its session yesterday, discussed traffic problems, the experiment currently being carried out in Alexandria, and the possibility of applying it in Cairo.

The council began by discussing the traffic situation, listening to the response of Hasan Abu Basha, minister of the interior, concerning interpellations which were submitted in this regard.

He said that 12 million people live in greater Cairo and about 1.2 million cars move about its streets. Urban planning cannot keep up with the population growth and the increase in vehicles. A large number of citizens do not comply with instructions and guidelines. The number of traffic officers has risen from 76 to 205, and we have requested that the armed forces provide the Ministry of the Interior with a group of conscripts, a thousand of them specially trained for traffic work in Cairo, al-Gizah and Alexandria.

He said that Cairo has been divided into 20 traffic sectors instead of eight and a hundred control posts have been designated. They are equipped with radio sets to link them to the roads and intersections. This year, 36 new access points have been opened for traffic and have made a difference in easing congestion and a difference in traffic control.

He added that, based on the recommendation of the Supreme Traffic Council, an agreement has been made with the Cairo Governorate and four locations have been determined for building multistory garages, in addition to two locations in al-Gizah. Construction of some of these garages will be finished within two years to deal with the car parking problem, since the center of the city does not have room for more than 8,000 cars while 16,000 other cars cannot find places to park.

The Supreme Traffic Council recommended building an autostrada, requiring 29 million Egyptian pounds to be implemented. Four bridges will be built during

'83, among them the al-Gizah bridge, which will be finished 23 July, and an extension of the King Faysal bridge.

He said that there are many suggestions to solve the traffic problem, among them allowing only cars with odd numbers to move on one day and only cars with even numbers on the next day; halting the licensing of cars for three years; and forbidding the movement of slow freight vehicles during the day.

The minister of the interior said that the traffic problems cannot be solved by immediate, quick decisions; rather, there are studies of all of the suggestions and the proposed alternatives. If the People's Assembly wants to apply one of the suggestions as a test, the ministry has no objection.

With respect to traffic infractions, in 1980 3.08 million misdemeanor citations and a million violation citations were recorded, and in 1982, 3.195 million misdemeanor citations and 1.307 million violation citations were recorded.

Following this the Assembly agreed on a bill to modify certain regulations of the traffic law. The modification deals with imposing jail sentences of no more than three months and a fine of no less than 500 and no more than 1000 Egyptian pounds, or one of these two penalties, for anyone who drives a car or operates a device in it to detect and warn of the locations of radar vehicles or affects their operation, in addition to confiscation and seizure of the device.

On a different matter the Assembly members also agreed in principle to propose a bill to set up a society of readers and inculcators of the Glorious Koran. The bill is aimed at promoting the level of memorization and teaching of the Glorious Koran and promoting the Call for its memorization.

9605

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## COVERAGE OF UNIVERSITIES BY NATIONAL PRESS DISCUSSED

Cairo AL-AHALI in Arabic 9 Mar 83 p 5

[Article by Dr 'Awatif 'Abd-al-Rahman: "The Egyptian Universities and the National Press"]

[Text] The professors and students of the universities in Cairo are of the opinion that the Egyptian daily press is not dealing with the vital issues which are of real concern to the professors, students, and administrators in Egypt's universities. This is attributed to the fact that these newspapers are more interested in publishing statements made by the university rectors and presenting their shiny exterior, and are ignoring all of the other groups of people--which are dealt with only marginally by the press. That is, the only mention of the universities, of their intellectual legacy, their educational and academic mission, their students, their professors, and everything that the universities stand for in the history of our nation is what the university rectors are quoted as saying, and all the other categories of people in the universities are either not mentioned at all or are mentioned very seldom.

This clear fact represents the conclusion arrived at by the latest research study, conducted by the National Center for Social and Criminal Research, which dealt with the relationship between the universities and the press during the seventies. This study was based on a questionnaire consisting of 42 questions which was given to a sample group of professors and students at the Universities of Cairo, 'Ayn Shams, and Hulwan as well as a series of dialogues and discussions held with the editors at daily newspapers who deal with news concerning the universities.

This study revealed a number of facts which are important to make public at the present time, especially since they involve an important issue which has been much discussed lately. The issue concerns the nature of the real role of the national and party press as well as its responsibility vis-a-vis the universities as educational and intellectual establishments. The study also poses a number of questions concerning professional misconduct in the press and the degree to which it adheres to the "charter of honor" which stipulates that "it is necessary to provide public opinion with all of the facts rather than abbreviating them or distorting them for the benefit of any category of people." The study also brings up the issue

of the intellectual and social commitment of the national press. It asks the following: Are the newspapers the tools of the upper classes which consolidate the relationship between the cultural and political elite in the realms of the press and the universities, and ignore the opinions, demands, aspirations, and concerns of rank-and-file people--represented by the editors at the newspapers and the professors and students at the universities? Or are these newspapers national newspapers in the real and full sense of the word?

The study also brings up an important question concerning how university rectors view the newspapers and concerning their relationship with them--a relationship mainly consisting of an attempt to befriend the newspaper editors, take them into their confidence, and endeavor to utilize the newspapers as a means of promoting their opinions and advertising their achievements. [The newspaper reporters] thus end up going no farther than the rectors' offices and do not enter the real arena of the universities where they would observe the constant work which is silently and unselfishly being accomplished by hundreds of professors and thousands of students who are reaffirming the noble values and concepts concerning the role and mission of the universities which were formulated and established by people such as Lutfi al-Sayyid and Taha Husayn.

#### News Columns About Universities in the National Press

We should note that the Egyptian newspapers' interest in universities and their issues is nothing new. In fact, this interest originated in 1952 when the newspaper AL-AKHBAR started publishing the first regular news column dealing with the universities. Then in 1960 AL-AHRAM also began publishing news items concerning the universities. However, it did not feel that it was necessary to devote a special regular column to news about the universities because of the opinion prevalent among the editors of the newspaper that the work which the universities were engaging in was work which was seasonal and therefore a separate column dealing with news about the universities was not needed. The newspaper AL-MASA' was the third newspaper to deal with news about the universities. Starting in the early seventies it ran a regular weekly news column devoted to this subject, but then the column dwindled and finally disappeared in 1976 because news concerning the entertainment world and sports news came to be more important than news concerning students and young people. For the last 3 years AL-JUMHURIYAH has had a regular column on this subject. But its column deals not only with universities and their affairs, but also with news concerning all levels of the educational system.

There is a long list of university issues which have been dealt with by the national press throughout the last quarter of a century. These issues revolve around the university textbook crisis, the crisis on university campuses, university examinations, acceptance into universities, transfers between universities, the regional universities, travel by students abroad, special tutoring lessons, university rectors devoting all of their time to university administration, providing guidance for scientific study missions, pioneering scientific work done in the colleges, the lack of

contact between students and professors, the introduction of modern scientific equipment in the universities, etc.

But there are other issues which the newspapers have not touched upon at all, for example, the immunity and independence of the universities. This has been true ever since the first confrontation began between the Egyptian University [former name of the University of Cairo] and the leaders of the July 1954 revolution. The independence of the university was in danger, then was done away with, when purges began to be instituted against its professors and the Federation of University Professors was dissolved and transformed into clubs for members of the faculties. The same tragedy was repeated in September 1981, and the national newspapers did not venture to deal with this issue. Among the most prominent issues which it has been forbidden for the newspapers to deal with have been the issues concerning academic freedom for professors, freedom of expression for both professors and students, the real role of the university campus guards and the security offices, and how the money in the university budgets for scientific research is being spent.

Editors of the columns dealing with news about universities in the national newspapers agree that their principal sources of news concerning the universities are primarily the university administrators (university rectors and deans of colleges and institutes), secondarily the professors, and lastly the students. Some of the editors explained this hierarchy of sources as follows: "The chief editors in our national newspapers still believe that the value of a news item or story depends on the importance and professional standing of the source. So the news item, in their opinion, is not worth publishing unless it includes an opinion or opinions expressed by one or more university administrators." One of the editors clarified this by saying the following: "The editors are interested in the opinions of the university administrators because they are the only ones able to issue official statements and they make it easy for the editors to obtain news and information. We have no other choice."

#### What Are the Professors and Students Saying?

The newspaper AL-AHRAM is at the top of the list of the daily newspapers read by the professors of the Universities of Cairo and 'Ayn Shams. It is also the newspaper which is most widely read by the students of the University of Cairo. The professors of the University of Hulwan prefer both AL-AKHBAR and AL-AHRAM. The newspaper AL-AKHBAR is the one most preferred by the University of 'Ayn Shams's professors and students [taken together as a group], whereas the students of the University of Hulwan prefer the newspaper AL-JUMHURIYAH.

There is near unanimity among the professors and students of these three universities that the most important things which are lacking in the national press are objectivity, truthfulness, and candor both in their news stories as a whole and in their news items which deal with the problems of universities and young people in particular. The professors of the Universities of Cairo and 'Ayn Shams are of the opinion that the most



significant characteristic of the daily newspapers is the fact that they are not committed to a clear and definite political or ideological orientation. The students, in particular, mention the fact that they show no interest in issues concerning young people and they say that no opposition points of view are expressed in the daily newspapers.

The professors and students in these three universities are in agreement concerning which sections most deserve to be removed from the daily newspapers, in the following order: consumer advertisements, news items containing congratulations and felicitations, news items about cabinet reorganizations, personal news items dealing with celebrities, fashion news, petty crimes, and the obituaries.

Most of the professors in the universities in our capital city consider it likely that the reason why the news columns in Egyptian newspapers dealing with the universities are ineffective is that the newspaper editors insist on talking only with the university administrators and ignore the important segments of people in the universities such as the professors and students. The students also pointed out this same thing, but to a lesser degree. They considered that the reason was that the editors are ignorant of the role played by the students in the educational process, and that this is reflected in the lack of interest which the media show in them. The professors of 'Ayn Shams University were the only ones to stress the point that the Egyptian newspapers are ignorant of the point of view of the students when they deal with issues concerning the universities.

#### How Do the Editors Respond to All of This?

The opinions of the editors of the news columns dealing with universities differ concerning the issue of to what degree the policies of the newspapers affect the news columns in the Egyptian newspapers dealing with the universities. But all of them agree that the chief editors of the daily newspapers are not people who like to wait around and are people who believe that it is sufficient to concentrate on news reports which deal with the universities. This is something which makes it difficult to follow and deal with the important issues by means of writing about them in longer articles and investigative stories. There is no doubt that this affects the work done by an editor. He never has enough time when dealing with these issues, and he cannot pursue them in the fashion which he should. The policies of the newspapers are also responsible for the lack of publication of stories concerning certain topics such as those dealing with immunity of the universities and the Islamic groups at the universities. Furthermore, the concentration on actual news items and the increase in coverage given to sports news in order to increase newspaper circulation are two of the most important reasons responsible for the lack of interest which some national newspapers have in the universities. This is true, for example, in the case of AL-JUMHURIYAH and AL-MASA'.

Furthermore, we cannot ignore the difficulties and problems faced by the editors of the news columns in the Egyptian newspapers which deal with the universities. They can be summed up as being three principal problems, according to what the editors themselves say, and they are the following:

The first problem has to do with the great sensitivity which the university administrators have toward criticism and the fact that they consider and criticism to be a personal attack on them. This is something which induces most of the editors of the news columns dealing with the universities to treat these administrators with kid gloves, for fear that they will lose their principal sources of news. In addition to this, the university administrators do not have a high opinion of the profession of journalism. This is demonstrated by the fact that they are ignoring the university issues which are being brought up [by the newspapers] and are not endeavoring to find solutions for these problems.

The second problem has to do with the fact that the chief editors of the daily newspapers belong to the old traditional school of journalism. They insist on equating the importance of a source with the professional position occupied by the person who constitutes that source, and they are averse to dealing with the major issues concerning the universities and are content to deal with them merely when they are news items.

The third problem is that there are no correspondents at the regional universities and the fact that there are few daily and weekly newspapers in comparison with the increase in the number of universities and the problems of the universities. This is something which has resulted in the fact that the newspapers put off dealing with more and more topics and they are unable to follow everything that is going on inside the universities.

The editors of the news columns in the daily newspapers dealing with the universities were in agreement concerning a series of proposals for developing these university news columns. Most of these proposals deal with the necessity of establishing new newspapers and magazines which deal with youth and university affairs, devoting special pages in our current newspapers to the universities, and increasing the number of editors who specialize in university affairs. Some of the editors also mentioned that it was necessary to have the students and professors participate in the writing of the news items for the columns about the universities. But the most important proposal which all of these editors agreed about was that it is necessary to elect the people who are at the top positions in the universities. This is something which is also partially stipulated by the laws of the universities (for example, it applies to the heads of departments and the deans of colleges). But [the editors said that] it was also necessary for the rectors and vice rectors of the universities to be elected since this would make them answerable to the opinions of those at the universities and would induce them to engage in more interaction and participation than they engage in right now. This would be particularly true if the students participated in such elections.

Here Is What We Say About This

Moreover, some issues of an urgent nature concerning the universities were not mentioned in the study to the degree that we expected them to be mentioned. I feel that the principal issue in this category is that of the security offices and the real nature of the duties which they engage

in inside the universities. People are constantly asking when there will be an end to the daily humiliating process to which university professors and students are being subjected--that is, the necessity of having to prove their identity to the campus policemen. What about the loss of dignity in the case of a university professor, who is charged with the responsibility of producing generations of young people who will take over the responsibility of leading this country in the future, when he is forced to stand in front of a lowly policeman and show his identity card, thereby proving to him that he is not carrying any bombs? Furthermore, why are the security offices interfering in matters concerning the content of what is printed in the [students'] wall newspapers, which constitute the minimum of freedom of expression allowed to students inside the universities? This question is particularly apropos after recent experience has demonstrated that the student activity which flourished during the early seventies was what kept the country from experiencing the fits of impotence and hysteria which exploded later on. When it was decided to eliminate this legitimate activity engaged in by the young people inside the universities, their innocent words which had been written down then turned into live bullets--and if we would only learn something from the lesson! There is no doubt about the fact that neither this study nor any other will resolve the list of problems and issues which the students and professors at Egyptian universities are suffering from. But one thing is sure, and that is that they will only be solved if the professors and students inside the universities, starting right now, begin to undertake their own unceasing efforts to solve them. And they must do so on the basis of the many rights and guarantees which have been assured to them by the university laws and regulations. They are the only ones who will suffer the consequences of this negligence [if they do not do the above].

And finally, we must reaffirm the fact that, inside the universities, one cannot achieve any degree of freedom, democracy, or justice which is greater than that which is actually achieved in society as a whole.

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CSO: 4504/262

BRIEFS

HOVERCRAFT OVERHAUL--The British Hovercraft Corporation, subsidiary of the British Westland Company, received in March at Cowes (Isle of Wight) one of three Winchester-type SR-N6 hovercraft from the navy. Delivered in September 1976 to the Abu Kir base, this unit is going to undergo a complete overhaul for 10 months under the terms of a LS 550,000 contract. [Paris AFRIQUE DEFENSE in French No 61, Apr 83 p 10]

ANTIAIRCRAFT DEFENSE--Contraves Italiana, Italian subsidiary of Oerlikon Buhrle (Swiss) has confirmed the existence of negotiations over the acquisition by Egypt of an antiaircraft defense system worth \$400 million. [Paris AFRIQUE DEFENSE in French No 61, Apr 83 p 12]

CSO: 4519/202

## BRIEFS

ASW EQUIPMENT--The naval air force has reinforced its antisubmarine equipment with the entry into service of an initial squadron of 10 Soviet Mil Mi-14 Haze ASW helicopters. These helicopters reinforce the 10 French SNIAS-Aerospatiale Super Frelon SA-3211 GM and M helicopters used in ASW warfare and armed sometimes with Italian Whitehead Motofides ASW-A-244 torpedoes and sometimes with Aerospatiale air-to-sea AS-12 missiles. [Paris AFRIQUE DEFENSE in French No 61, Apr 83 p 9]

NAVAL DELIVERIES--The navy is about to take delivery of a new Soviet Nanuchka II missile corvette, the 'Ayn al-Ghazalah 417, and of two new Natya-type minesweepers, the Ra's al-Hamman and Ra's al-Falujah 117. [Paris AFRIQUE DEFENSE in French No 61, Apr 83 p 10]

CSO: 4519/202



FOREIGN MINISTER COMMENTS ON ARAB SITUATION, EGYPT

GF302038 Manama AL-ADWA' in Arabic 30 Apr 83 p 5

[Interview with Foreign Minister Shaykh Muhammad ibn Mubarak Al Khalifah by Yusuf al-Shanbali in Bahrain; date not given]

[Excerpts] [Question] The current situation in the Arab homeland is described as the stage of deterioration or a bad Arab stage. If we forget the terminology, what in your opinion--as an Arab politician and diplomat who has lived these events and experienced them well--are the causes of this deterioration and what are the means of getting out of this situation?

[Answer] The state of deterioration that the Arab homeland is experiencing today is a definite result of the disagreements that eat into the body of the Arab nation. Whenever a wound is healed another ruptures and whenever a problem is solved another develops as if it were our fate to wander in a sea of accusations against one another so that we all become, in the eyes of the world, as if we were a nation that begs for sympathy and searches continuously for paths that do not lead to the right goals. But what are the goals we are supposed to be seeking? They must either be vague or non-existent to the extent that made observers suspect the feasibility and seriousness of the Arab meetings. The Arab human being is confused and does not know what is wrong and what is right, what is truth and what is falsehood.

Disputes and disagreements on clearly defined goals are the most important reasons for this deterioration. There is no way out of this political, social and moral crisis except by disregarding the bilateral and regional disputes which weakened the Arab nation, or at least by postponing them in order to permit the laying down of a definite strategy whose goals and milestones are clear in all political, economic and military fields.

[Question] It is being mentioned in many circles that some Arab countries have started preparing for Egypt's return to the Arab ranks. Do you see that Egypt's stand has actually changed and that restoring relations with it can serve the cause although President Husni Mubarak continues to reiterate that Egypt will not relinquish Camp David?

[Answer] No one can minimize Egypt's value and its position in the body of the Arab nation. Nor can anyone deny that Egypt's strength is a strength for the Arab nation and that the Arab nation's strength is a strength for Egypt.

The decision to boycott Egypt was made in the Baghdad summit and cancelling this boycott cannot be done unless another summit decides to do so. The 12th Fes summit defined the inclination of the Arab nation for peace and I mean peace that is based on justice. Although we agree with Egypt on the goals, we do not agree that a single state can adopt unilateral decision that affects the entire Arab nation.

As for Egypt's return to the Arab group, the matter is now passing through important developments and time will resolve this issue positively as I believe.

CSO: 4400/310

BRIEFS

DIPLOMATIC RELATIONS WITH SEYCHELLES--Manama, 4 May (WAKH)--It was announced today in Manama that Bahrain and the Republic of Seychelles have established diplomatic relations at the ambassadorial level. This was contained in a joint communique issued today in Manama which said that out of the desire to strengthen the relationship of friendship and cooperation between the peoples of Bahrain and Seychelles, both countries have decided to establish diplomatic relations at the ambassadorial level. [Text] [GF040858 Manama WAKH in Arabic 0825 GMT 4 May 83]

CSO: 4400/310

RAMALLAH VILLAGE LEAGUE LEADER INTERVIEWED

Ramallah AL-MIR'AH in Arabic 13 Mar 83 p 8

/Interview with Riyadh al-Khatib, head of the Ramallah Village League; date and place not specified/

/Text/ /Question/ Could you please tell us your name and how old you are?

/Answer/ My name is Riyadh Yusuf al-Khatib, and I am 28 years old.

/Question/ How long have you been head of the Ramallah Village League?

/Answer/ For several days.

/Question/ What were your motives for joining the Palestinian Village League Movement after you had been known as a support of the Palestinian resistance organizations?

/Answer/ I will be frank and honest with you. Yes, I was one of those who supported the policy of the Palestinian resistance organizations. However, I now admit that it was a mistake on my part to support this policy which was based on violence, terror, rhetoric, and name-calling, and which, for us, was going to turn the clock back to the year 1936 with all of its bloody events and bitter and painful memories. I feel especially this way after all the attacks by the men in the Palestinian resistance organizations against innocent people. I particularly have in mind the criminal attack on the life of my late father, Yusuf al-Khatib, and my brother Kazim--may God have mercy on their souls. In an age such as the one we are living in now, should people be permitted to execute a person without bringing him to trial and without giving him an opportunity to defend himself? Why should people be allowed to be able so easily to destroy innocent people? Do the laws of heaven and the laws of man permit a person to be condemned to death on the basis of slander which has been spread against him by an enemy of his? And think how much slander and how much moral decay exists in our society today. For all of these reason, I now say that I have realized the truth about this policy /of the Palestinian resistance organizations/ which is based on violence and terror and which under no circumstances serves the interests of our people. How can such organizations, which have been a failure both inside and outside /Palestine/, have the right to claim to represent our people who have been exhausted by wars?

Unfortunately, I must say that the Palestinian resistance organizations have not achieved anything for us. In fact, they have caused us to lose everything. For these reasons I have chosen to pursue the path of peace which the Village Leagues have appealed for--and are still appealing for--people to follow. The only path which remains for us to follow is the one which begins with the Camp David agreements and leads to the table of political negotiations between the "two parties of the Arab-Israeli conflict." This is the policy which will bring our people stability, tranquility, prosperity, progress, and a just and durable peace which will guarantee us our freedom.

/Question/ What is your view of the Palestinian-Jordanian rapprochement, especially after the holding of the Palestinian National Conference? Also, what form would a Palestinian-Jordanian confederation assume?

/Answer/ My view concerning this rapprochement is that it is nothing but ink on paper. As for my opinion about the confederation and what form it will take, let me say the following: This confederation has been a hope cherished by our masses of people and in which both parties have been interested throughout the history of their existence. However, the two "regimes," run by the Jordanians and the Palestinian resistance organizations, have tried this confeder. The result was that one side alone suffered more than 20,000 dead and wounded during Black September, and the deep wound from those days has not yet healed. So how could such a confederation including these two parties succeed?

/Question/ A true confederation must result from a deep desire felt by the people involved and cannot be something which merely responds to the wishes of the Palestinian resistance organizations during negotiations. Will the Palestinian Village Leagues play a role in them?

/Answer/ King Husayn is trying very hard to impose his domination over the Palestinian resistance organizations, and how often leaders and rulers have tried! This will be the true basis for any such confederation.

/Question/ /missing text/

/Brother Riyad/ In case Jordan participates with some kind of delegation to strip them of the right of representation granted to them by means of his selecting some men who do not belong to the Palestinian resistance organizations, then the Village Leagues have every right to participate in any future negotiations. They not only have a role to play in such negotiations, but also have the right to participate in them. For this reason, we reject any negotiations in which we would not participate, because the Palestinian Village Leagues represent broad cross-sections of our people inside /Palestine/. For that matter, we also represent such cross-sections of Palestinians who are outside.

We emphatically reject any form of tutelage or subordination because we are seeking our rights and we are entitled to them. Therefore we should represent ourselves and we should engage in future peace negotiations, even if no other party participates in them. We do not want to spend another 30 years experiencing war and hearing the beating of drums. We are sick of hearing the melodies of war and destruction.



/Question/ Do you believe that autonomy for the Palestinians will be put into practice both in letter and in spirit in the West Bank and the Gaza Strip, as the Camp David agreement has stipulated? If so, when will this take place?

/Answer/ Autonomy is only the beginning of a phase which will grant the Palestinian people their right of self-determination after the prescribed period, which is 5 years, has passed. As for when this will happen, let me say the following: It will happen when our people become aware of the true facts and when our people believe that what they need is unity in progress rather than unity in war, and what they need is to be united in order to achieve peace by means of negotiations which will serve to achieve our aspirations to have peaceful coexistence between the Arab and Jewish peoples, without having the legitimate rights of either party infringed upon at all. All of this cannot be achieved without us agreeing to this autonomy, which is what we are now concerned with. One could talk for a long time about this matter.

/Question/ Do you believe that the thing which is necessary is for these two peoples to peacefully coexist on the soil of this holy plot of land?

/Answer/ Why should I not believe this, after I have become convinced that the State of Israel is a fact and a reality? I especially believe this after having seen our Arab nations and Palestinian resistance organizations wage several wars, "go into labor," and then give birth to nothing more than shame and dishonor. Pursuing this path has given us nothing but hundreds and thousands of killed and wounded, orphans, widows, mothers who have lost their children, and fearful destruction.

After all of this, what we should do is enter the political battle ground. We should recognize what the real facts are. Using this as a premise, we can achieve security and tranquility for our future generations under circumstances of a just peace which will guarantee for them a joint future which will involve peaceful coexistence and no wars.

/Question/ Would you like to take this opportunity to utilize the pages of AL-MIR'AH to say anything particular to our Palestinian people?

/Answer/ If this is what you want me to do, after everything that I have already said, then, with all due respect, I would like to say the following: O brothers and sisters of our Palestinian nation which has been scattered to all parts of the Earth! O people of the entire Arab world! We have had enough differences, divisions, rhetoric, and shouting of slogans.

Our hope is that one day the Arabs will be united both in heart and soul in their efforts to solve our Palestinian problem after the problem has existed for so long and time has eaten away at it. The only solution to the problem is one which cannot be reached by means of war. It has to be reached by peaceful means and by means which will lead us to peace, since we have already seen the futility and failure of the military solution.

This is why the Palestinian Village League Movement arose, and it was established to achieve these hopes under circumstances of a just and honorable peace.

Palestinian Arabs everywhere! Give your blessing to our steps and add your voices to our voices so that we may pursue the path of peace and peaceful coexistence between the Arab and Jewish peoples. The Village Leagues were established to pursue this noble goal. They are not what deceitful provocateurs say they are.

9468

CSO: 4404/294

## NAZARETH MAYOR VIEWS ISRAELI ARAB STANCE

London AL-HAWADITH in Arabic No 1380, 15 Apr 83 pp 38, 41

/Interview with Tawfiq Ziyad by AL-HAWADITH; Paris, date not specified/

/Text/ Tawfiq Ziyad, mayor of Nazareth and a member of the Knesset representing the Arabs living in Israel since 1948, was in Paris last week where he participated in a mass celebration of "Earth Day" to show solidarity with the Palestinian people and met with a number of French officials and mayors. Tawfiq Ziyad represents important trends among the Palestinian people who are experiencing the tragedy of segregation and racial discrimination in Israel. They live every day with the Israeli reality with all that is known about it in the way of expansion and repression.

AL-HAWADITH interviewed the Nazareth mayor at length in Paris where he talked for a long time about the situation of the Israeli Arabs and about his role in the Knesset in resisting the policy of Begin and his government. Ziyad emphasized that the Arabs in Israel are an inseparable part of the Palestinian Arab people. The interview touched on many things, including the future of the Palestinian cause, Palestinian-Israeli contacts, and the possibility of achieving a peaceful settlement with the Israeli Labor Party, as some Arabs believe. However, the Nazareth mayor and member of the Knesset said frankly: Arabs, do not bet on the Israeli Labor Party. We began our meeting with Tawfiq Ziyad by asking him this question:

/AL-HAWADITH/ You are the mayor of Nazareth, the largest Arab city in Israel, and a representative of the Arabs in the Knesset. What is your role as a member of the Knesset in resisting Begin's policy in occupied Arab territories and with respect to the Arabs living in Israel since 1948?

/Ziyad/ I and three other members, two Jews and my colleague Tawfiq Tawba, form a bloc called the Democratic Front for Peace and Quality in the Knesset. It is the most active of all the political blocs. We do not overlook any matter relating to Israeli government policy. We join in the discussion of all the problems taken up in the Knesset. In particular, we focus our full attention on matters concerning the Arab masses in Israel. That is the fact today under the Israeli military occupation. Our energies are concentrated on bringing up issues relating to the Israeli occupation and the arbitrary Israeli policies toward Arab citizens in Israeli prisons and detention camps, confiscation of Arab lands, and deportation of mayors in occupied territories. We also resist such government actions taken against the Israeli Arabs as confiscation

of land, application of racially discriminatory measures, and depriving Arab youth of their native Arab culture.

At the same time we are trying to mobilize Knesset members from other parliamentary blocs in connection with the issues we defend to stand by our side in resisting Israeli government practices, especially with regard to equality of rights between Arabs and Israelis.

Naturally, we do not rely solely on the parliamentary struggle, which has been part of our general battle for our Arab people in Israel since 1948. We organized outside of the Knesset an Arab-Jewish front with the participation of Jewish democratic forces to demand that the Arabs be given all their rights. We are also resisting Israeli efforts to Judaize the occupied Arab lands.

/AL-HAWADITH/ "Earth Day" in Palestine is known to have resulted from an initiative of the Palestinian Arabs in 1948. What was behind this idea?

/Ziyad/ To begin with, I want to point out that after it was founded in 1948, Israel confiscated 80 percent of the land of the Arabs living there since that date. This naturally led to a halt in Arab farming. Moreover, the confiscation of Arab land is one of the manifestations of the Israeli racist policy because we Arabs in Israel breathe percution the way a man breathes air. Israel wants to make life difficult for the Arabs living within its borders since 1948 and thus force them to leave Palestine. Arab resistance to these Israeli plans was behind Land Day in 1976 because the Arab masses in Galilee undertook in March of that year to organize popular demonstrations protesting against this Judaization policy. On the first Land Day, six Galili Arabs died as martyrs, hundreds were wounded, and hundreds were arrested. Thousands were fired from their jobs because they participated in the demonstrations. The memory of Land Day was revived by all the Palestinian Arabs to give concrete expression to the unity of the Palestinian people everywhere.

/AL-HAWADITH/ The Arabs of Israel since 1948...

/Ziyad, interrupting and with vehemence/. We are not the Arabs of Israel. We are part of the Palestinian Arab people, not the Arabs of Israel.

/AL-HAWADITH/ Correcting my first question, I say that you Palestinians living in Israel since 1948, what is your national identity and your ethnic affiliation?

/Ziyad/ There are in fact two things in which a person has no choice. One, he cannot choose his parents and two, he cannot choose his nationality. We were born - this is an objective truth - as an inseparable part of the Palestinian people.

/Brief pause/ In the disaster that befell our people in 1948 when the leaders of the Zionist movement succeeded in expelling thousands of our people

from Palestine, we remained in our native land. The succeeding Israeli governments tried to dilute nationalist feelings among the Arabs, but the result was the complete opposite. It led to the Arabs in Israel clinging more tightly to their Palestinian Arab nationalism. The Arabs in Israel are the youngest people in the world because 75 percent of them are in their thirties. When you consider that almost 35 years have passed since the state of Israel was founded, you must assume that the Palestinian in Israel who is 35 or 40 years old today was 5 years old in 1948, raised in Israel, and subject to Israeli laws. Nevertheless, as I told you, the result of the nationalism dilution policy toward the Arabs from their earliest years that the Israelis followed since 1948 has been completely reversed.

As for the legal aspect, we carry an Israeli identity card in view of the fact that the Arabs in Israel or those you call the Arabs of 1948 have Israeli citizenship. But this legal fact does not change the objective political reality; namely, we are an inseparable part of the Palestinian Arab people.

/AL-HAWADITH/ What is the attitude of the Arabs in Israel since 1948 toward the PLO and its representation of the Palestinian people?

/Ziyad/ We recognize the PLO as the only legitimate representative of the Palestinian people, a fact admitted by Palestinians, Arabs, and the world. One of the central objectives of the program of the Democratic Front for Peace and Equality in the Knesset is to have the Israeli rulers recognize the PLO as the only legitimate representative of the Palestinian people, negotiate with it after withdrawing from the Arab lands occupied in 1967, and acknowledge the Palestinians' right of self-determination and creation of its independent state. These principles for a peaceful settlement of the Arab-Israeli struggle are claimed not only by the Arabs in Israel. There are very broad segments of Israeli public opinion with its democratic forces which demand these things in order to bring about peace and peaceful coexistence between the Palestinian and Israeli peoples.

/AL-HAWADITH/ Given the peaceful settlement about which you spoke, how do you envision your future after the independent Palestinian state is formed?

/Ziyad/ Our future after the creation of the independent Palestinian state will include continuing to live where we are. We will not move to the Palestinian state because the leaders of the Zionist movement and rulers of Israel will try, even if there is a Palestinian state in the West Bank and Gaza Strip, to make the Arab masses migrate from Israel to this state. But I can assure you this Zionist plan will not succeed in forcing us to leave our land except over our dead bodies. We will not move from our cities and villages because we have the right to continue to live on the land of our fathers and grandfathers - in Nazareth, Tayyibah, Umm al-Fahm, or 'Arrabah. This is our homeland where we are.

Even after the independent Palestinian state is founded, we will continue our battle to change the character of the government in Israel so that it



will become a democratic government under the slogan "With the Arab Peoples Against Imperialism, Not With Imperialism Against the Arab Peoples."

We will therefore have to remain in Israel in order to share in the efforts of men of good will to establish normal relations between Israel and the independent Palestinian state because I believe that even with the establishment of the Palestinian state, all the democratic forces in the world will have a big part to play in protecting the state against possible Israeli aggression in the future. Thus, our important role in Israel will be to frustrate these Israeli plans.

/AL-HAWADITH/ Are you convinced the Palestinian state will be established in the West Bank and Gaza?

/Ziyad/ I have no doubt whatever this Palestinian state will be established because it is the will of the Palestinian people. Here as a poet mayor I quote the Arab poet Abu-al-Qasin al-Shabi: "If some day a people wishes to live, it must go along with its destiny." This is a fact of history in the will of peoples, including the Arabs.

/AL-HAWADITH/ After the Kahan report on Sabra and Shatila was issued, there was a good deal of talk in international circles about democracy in Israel. These circles began to praise Israeli democracy. What do you think of this "democracy?"

/Ziyad/ To begin with, it must be obvious that the regime in Israel can be regarded as a bourgeois democratic regime that greatly resembles the political regimes existing in some western states. However, we know very well that bourgeois democracy is very often empty of content, remaining form without substance. Therefore, the Israeli regime is deteriorating rapidly because it has lost its fundamental democratic content. This is true of the concept of Israeli democracy with respect to the Jews. But with respect to the Arabs, Israeli democracy cannot be reconciled with the racial persecution of the Arabs. I am talking to you about personal suffering. We have known in the shadow of this Israeli "democracy" all kinds of tyranny and repression in the way of detention camps and intimidation. These are the same measures employed in racist dictatorial states. Thus, the democratic form of the political regime in Israel deceives many people throughout the world.

There is another thing the whole world must know, that is, how can "Israeli democracy" which they talk about continuously be squared with the military occupation and its profound and arbitrary actions. In recent years Israel passed laws against the Arabs that can be described as fascist and racist and it has done nothing to promote democracy. Take, for example, the child protection law whereby a Jewish family with four or more children receives aid from the government. But the Jewish family receives twice as much as the Arab family with the same number of children.

As for the Kahan report on the Sabra and Shatila massacre, it must be obvious that the Begin government, which is aware of its responsibility for the horrible massacre, did not rush of its own accord to form this commission.

It was forced to do so by the demonstrations in which hundreds of thousands of persons took part in the streets of Jerusalem and Tel Aviv and after the worldwide outcry caused by the crime.

On the other hand, the Kahan commission of inquiry was an official government commission. That is to say, the Israeli government defined its task and appointed its members. This shows that its scope was limited.

The third point I want to make is that the Kahan commission investigated only what happened in Sabra and Shatila during the first 3 days of the massacre, but it did not investigate the crimes committed by Israel in the Lebanese war. Nevertheless, we believe the commission produced some positive results and fixed indirect responsibility on the rulers of Israel. However, some believe - and we're not in a position to examine the military and secret facts - Israel's responsibility in the massacre was direct, but in our view there is no difference between direct and indirect responsibility in the dreadful tragedy that befell the Palestinian people - their children, old persons, and women.

We also believe Sharon's "resignation" as minister of defense is not enough. We claim that Begin, Sharon, and Eytan should be brought to trial for the massacre in Sabra and Shatila and for the atrocities committed during the Lebanese war by the Israeli army. They were crimes against humanity and war crimes. We demanded in the Knesset that this trio be brought before an international tribunal as war criminals. We believe the Kahan commission did not go into the matter as thoroughly as it should have. It was satisfied with demanding the resignation of Sharon and Eytan. We think Sharon is still occupying his ministerial post and working with Begin to carry out his aggressive and expansionist plans in the region at the expense of the Palestinian people.

/AL-HAWADITH/ Some Arabs believe it might be easier to negotiate with the Israeli Labor Party than with Likud.

/Ziyad, interrupting/ The policy of both the Labor and the Likud parties rests on three no's: No withdrawal from Arab lands occupied since 1967, no recognition of the PLO, and no independent Palestinian state.

Prime Minister Menahem Begin, leader of the Likud Party, is, of course, a great demagogue and his political stand is clear - denial of the very existence of the Palestinian people. While the Labor Party was responsible for the occupation of what remained of Palestine in 1967, Begin considers it his historical mission to finally annex these territories to Israel. It is very clear from all his stands that he heads a government of murder and terrorism.

On the other hand, under the present circumstances, there is no possibility of the Labor Party coming to power. We calculate that if the elections were held now, the Labor Party would lose and Begin would gain political strength. So there's no point in betting on the Labor Party under the present circumstances.

However, the Labor Party was in power in 1967. It initiated the invasion of Arab lands in the West Bank, Gaza, and Golan Heights and was responsible for the start of Judaization of these regions and massacres in Nfar Qasim and other Palestinian cities and villages. And it was the Labor Party that took part in the tripartite aggression against Egypt in 1956. All this plus the party's political program very clearly indicates that it is against withdrawal from the Arab lands occupied since 1967, against the establishment of an independent Palestinian state, and against recognition of the PLO. Therefore, we see no essential difference in political orientation between the two parties with respect to the Palestinians. However, there are elements within the Labor Party as well as other moderate elements considered "doves." They are few in number, but they do exist. We are trying within the Knesset to enlarge these moderate circles and various other parties. I therefore say to the Arabs: Don't bet too much on the Israeli Labor Party.

/AL-HAWADITH/ What do you think of the meetings held between the PLO and the democratic forces in Israel and their benefit for the Palestinian cause? What do you think is the effect of Israeli peace movements on government policy and public opinion?

/Ziyad/ To begin with, as long as the PLO considers such meetings useful, we support them.. At the same time, however, we urge the PLO to be cautious about these meetings and confine itself to individuals representing the democratic forces in Israel who can serve the Palestinian cause because there are elements within Israel who have a poor opinion of meetings with the PLO. But our overall judgment is that these Palestinian-Israeli meetings are useful because in view of the hostility of Israeli officials toward the Palestinians and Arabs, it is important that there be contacts between Jews of the peace camp and the PLO.

As for your question regarding the Jewish democratic forces for peace within Israel, I believe they do not form a peace movement. Rather, they act as a protest movement against the current Israeli policy. Israeli peace movements like Peace Now proclaim, for example, that they are opposed to Israeli colonization and Judaization projects in the occupied Arab territories, but they have taken no stand on the settlements already established on the occupied lands by the occupation authorities. And so on a number of important issues the peace movements do not have any policies for the future.

/AL-HAWADITH/ As mayor of Nazareth, how do you judge the situation of Arab towns in Israel since 1948?

/Ziyad/ Arab towns in Israel live in the shadow of obvious racial discrimination. Their annual budgets are no more than 30 to 35 percent per person compared with the Jewish towns. The economic development budgets are almost zero, whereas hundreds of millions of Israeli pounds are spent on a Jewish city like Upper Nazareth next to Arab Nazareth, where almost nothing is spent. We do not have even one factory in the city. The means of subsistence are limited because every day 80 percent of the Arab workers leave their cities and villages to work in Jewish cities and villages and return to their homes at night. Hence, they say that the Arab cities have become luxury hotels only to sleep in.

## RAFAH MUNICIPAL COUNCIL IMPLEMENTS PROJECTS

Jerusalem AL-QUDS in Arabic 2 Mar 83 p 4

/Article by AL-QUDS's correspondent in Rafah: "The Rafah Municipal Council Implements a Number of Vital Projects"/

/Text/ The Rafah Municipal Council is undertaking the implementation of a number of vital projects after turning them over to the contractors involved. They include the following: Completion of the second phase of the central marketplace by adding 15 new stores and a parking lot, construction of a children's park and a park, called "al-Barazil" /Brazil/, in the al-Nakhlah area, construction and paving of Bi'r (Qishtah) Street which will link the highway to the al-Nakhlah area, repair of the wall of the Rafah Municipal Stadium, development of the Central Slaughterhouse by adding new buildings and building a complete sewage system for the slaughterhouse, development of the city's main electricity network and putting electric lighting in at the square next to the Al-'Awdah Mosque, and renovation of the workshop for repairing municipality vehicles.

On the basis of a request by the municipality, the authorities have approved expanding the city limits by approximately 20,000 dunams to compensate the city for the area it lost when the /Egyptian/ part of Rafah in Sinai was separated from the /Israeli part of the/ city. This will contribute toward the addition of new residential areas, the most important of which is the al-Junaynah area to the east of the city.

Work is still continuing on the implementation of the public sewage project in the city in the al-Bahr Street area. The municipality will also soon undertake the construction of walls around the city cemeteries and will set aside an area of 50 dunams of land for a cemetery in the Tall al-Sultan area in the western part of Rafah.

9468

CSO: 4404/294

JERUSALEM ELECTRIC COMPANY GRIEVANCE DISCUSSED

Jerusalem AL-QUDS in Arabic 6 Mar 83 p 4

/Article: "The Jerusalem Electric Company Is Against the Israeli Authorities Allowing (Bal'in) to Be Provided With Its Own Power Generators"

/Text/ Yesterday the Jerusalem District Electric Company issued a statement in which it expressed its disapproval of the fact that the Israeli authorities have allowed some people in the village of (Bal'in) to set up their power generators. The statement said that this constitutes a violation of the company's franchise. The company also declared that it would go to court if the authorities of the military administration do not stop using these illegal power generators.

The statement referred to the fact that Israeli television, in a Hebrew-language news broadcast last Friday, said that the head of the civil administration has inaugurated an electricity network for the village of Bil'in, in the subdistrict of Ramallah, which will have its own power generators. The news item added that the above-mentioned civil authorities have helped to set up this electricity network because the current generated by the Jerusalem Electric Company is too weak and does not meet the needs of the village.

Concerning the facts of the matter, we would like to state the following:

1. The Jerusalem Electric Company, since 1979/80, has had a program for bringing electricity to all of the Arab villages within the area of its franchise. On this basis the company submitted a request for a license to build a high-voltage power line from the city of Ramallah to the following villages: 'Ayn 'Arik, Dayr Bazi', Bil'in, Kafr Ni'mah, Kharbata, Dayr Qaddis, Ni'lin, Qibyah, and Budrus. The village of Bil'in is clearly involved in this project. All of this is in accordance with Company Project Number 148-78, which was submitted to the military authorities in conjunction with taking out a license for the company in accordance with Article A-9 of the franchise document of Contract Number 50/1/2024, dated 24 January 1980, and Contract Appendix Number 50/1/1916, dated 26 November 1981.
2. In spite of the many official requests submitted, the company did not receive the license necessary for the construction of this power line. For this reason, since Article 9 of the franchise document of the company permits



the company to commence work after the passage of 3 months after the submission of a request for a license, the company actually did begin, in accordance with this article, building the above-mentioned power line. It set up the necessary power line poles from the Baytuniya junction as far as the outskirts of the villages of Kafr Ni'mah and Bil'in--the latter being "the village which is the subject of this statement."

3. The military authorities prohibited the completion of this work, and this action was something which is at variance with the Franchise Document Law. The military authorities confiscated the identity papers of the company's employees and contractors, forcibly prevented them from carrying out their work, and threatened them with imprisonment.

4. So far the military authorities have not offered any explanation for these actions, in spite of the petitions and protests which have been submitted by the company. This has been the reason why there has been a delay in providing electricity from the Jerusalem Electric Company to the village of Bil'in. Therefore, the pretext that the current provided by the company is too weak is basically a false pretext, because the power provided by the Jerusalem Electric Company has never even reached this village--because of the above-mentioned obstacles which arose.

5. It should be added that, in spite of the clear decision made by the Higher Court of Justice, the military authorities in the West Bank are still prohibiting the operation of four power generators, bought by the company and meant to be used for emergency purposes during times of overload, which the company installed in its power stations in Ramallah and Jericho. How can these /military/ authorities place the blame on the company for any lack of power which might occur during times of overload when these authorities are the very ones responsible for this situation because of their arbitrary act which is at variance with the franchise document and is not in the interests of the public?

6. The company reaffirms the fact that it is capable of carrying out its programs and meeting the commitments of its franchise. During the last 2 years it has brought electricity to about 50 villages and enterprises. The fact that, with the approval of the authorities concerned and the Ministry of Energy, the company has imported new power generators serves as confirmation of the policy pursued by the company and confirmation of the fact that it is able to meet its obligations.

7. When the military authorities allow the people of the village of Bil'in to have their own power generators set up for them, this is an infringement on the company's franchise. The company will find itself forced to go to court if the military authorities do not immediately cease operation of these generators of theirs. In an effort to defend and preserve its rights, the company has sent a protest telegram concerning this matter to the proper authorities.

## PETROCHEMICALS INDUSTRY EXPORTS JEOPARDIZED BY HIGH ETHYLENE COSTS

Jerusalem THE JERUSALEM POST in English 21 Apr 83 p 6

[Article by David Rudge]

[Text]

HAIFA. — Israel Petrochemicals will stop export production and cut its workforce by nearly half unless the Oil Refineries reduces the cost of ethylene in line with the 12 per cent drop in world oil prices, company chairman Joel Ostrowicz told reporters here yesterday.

He said the Bayside-based firm, which manufactures polyethylene for use in the rubber and plastics industries would be unable to compete on world markets if the Refineries continues to sell ethylene at present prices of between \$475 and \$500 per ton. He wants the price cut to a maximum of \$440.

Ostrowicz said he will allow the government-controlled Refineries a week to reply to his demand, before putting his plans into effect.

"Unless there is a price reduction, we will have to stop exports and concentrate on the home market. This will mean cutting production from the present 8,000 tons per month to between 3,000 and 4,000 tons. This would result in the dismissal of up to 200 of our 450 workers," he said.

Ostrowicz said the factory is now at a standstill due to the closure of the Refineries ethylene plant for maintenance. The plant is due to reopen on May 10.

He said international ethylene producers were able to sell at \$320

per ton, while the Refineries alleges that it cannot afford to operate below \$500. In addition the government says it will no longer subsidize the ethylene production side.

"We went to the government and said that if the Refineries is losing money on the ethylene side and you don't want to subsidize it, then let us run the ethylene plant. We know we can make it profitable, not by putting up prices but by increasing production. Unfortunately we were not able to convince the economists in Jerusalem of this."

Ostrowicz said Israel Petrochemicals made a net profit last year of IS213,478,000. Total retained earnings were IS336 million, of which IS282m. was distributed in the form of bonus shares.

Production was up by nearly 35 per cent, from 48,000 tons in 1981 to almost 65,000 tons in 1982. More than half was sold for export. Net sales last year amounted to more than IS1.8 billion — the equivalent of about \$76m.

But the company had to cancel export orders worth a further \$20m. which were won in spite of stiff competition and the recession, because the factory was not supplied with enough ethylene from the Refineries to run at full capacity. Ostrowicz said the company only got 65 per cent of its needs last year, the same as in 1981.

## BRIEFS

WEST BANK VILLAGE PROJECTS--The Tarqumiya Village Council has submitted a demand to the authorities concerned to be allowed to implement a number of projects which the village needs, the most important of which are the building and paving of roads as well as the setting up of a headquarters for the council. The council has also demanded to have the authorities make the necessary plans right now for providing the citizens of Tarqumiya with the water which they will be needing in the summer months rather than relying on water from the wells which quickly dry up during the early part of the summer. The council has also demanded that grants and loans be provided for the purposes of implementing the public projects. /Text/ /Jerusalem AL-QUDS in Arabic 1 Mar 83 p 4/ 9468

HEBRON VILLAGE LEAGUE--The administrative board of the Village League of the subdistrict of Hebron held a meeting last Wednesday morning at Village League headquarters. The meeting, which was chaired by Jamil Fallah al-'Umlah, was the occasion for the discussion of a number of topics which were on the agenda and which concerned provision of services to the inhabitants of the subdistrict as well as interest in achieving development in the villages in the realms of economic and social services, education, and health care, and implementing road-building projects, building schools, and implementing water and electricity projects. Moreover, the administrative board elected Jamil al-'Umlah, 'Abd al-Fattah Dudin, mayor of Dura, and Muhammad Mahmud al-Suwayti, head of the Village Council in Bayt 'Awwa, as member-representatives in the General Federation of West Bank Village Leagues. /Text/ /Ramallah AL-MIR'AH in Arabic 13 Mar 83 p 2/ 9468

CSO: 4404/294

EMBASSY BOMBING DECRIED; U.S. MODERATION URGED

Istanbul MILLIYET in Turkish 20 Apr 83 p 1

[Article by Mehmet Barlas: "Beirut Incident"]

[Text] How ironic that while we watched a symposium in Istanbul on the effects of Islam on world culture, terrorists claiming to act in the name of Islam are blowing up foreign missions in Beirut.

The sabotage of the American embassy in Beirut was a further demonstration of conflicting realities.

The most prominent among them is that Lebanon should have become as much of a problem as Palestine. Lebanon, divided up among different foreign countries, religions and finally sects, is a fundamental obstacle to peace in the world and the Middle East.

A second point is demonstration of the fact that terrorism, misguided throughout history, will continue to do so.

Lebanon and the Middle East were already divided and drowning in blood. What good does it do at this point to blow up an embassy building in Beirut other than to hinder the peace efforts?

However, the logic and goals of terrorism are based solely on violence. Terrorism sometimes takes as its target a Turkish diplomat, sometimes an American embassy, sometimes a Yugoslav citizen and, sometimes, the pope. Embassies are sometimes raided and diplomats taken hostage.

The outcome is blood and death. What else could it be?

The Beirut incident adds yet another faction, called the "Islamic Jihad Organization," to the Palestine liberation movements which are themselves divided within. This organization, described according to the initial accounts as pro-Iran, thus makes its entrance on the stage on which the tragedies of the Middle East are acted out, in order to rehearse more bloody plays. We will now have to add "Khomeyni-ists" to the long cast of characters which already includes Muslim, Christian, pro-Gemayel, pro-Syrian and so forth.

The sabotage which blew up the American embassy in Beirut will, contrary to its intent, heighten the American presence in the Middle East, not diminish it. In fact, Washington's first reaction was to deploy the 6th Fleet to Lebanon.

We would hope that Washington would not expand this act and fall into the terrorism trap. The greatest deterrent to peace in the Middle East has long been the direct and indirect intervention of foreign governments.

If America were to follow up this incident with a show of force, we would then be seeing terrorism by the state. This possibility, though weak, has been repeated several times over in Lebanon since 1958.

8349

CSO: 3554/260



## BRIEFS

PRC MINISTER MEETS OFFICIALS--Muscat, 30 Apr (QNA)--A discussion was held here today between the Omani and PRC sides. The Omani side was led by National Heritage and Culture Minister Faysal ibn 'Ali, while the PRC side was led by Culture Minister Zhu Muzhi, who is currently visiting Oman. During the meeting they reached agreement on a plan to execute the culture agreement signed between the two countries 2 years ago. Zhu Muzhi invited Faysal ibn 'Ali to visit the PRC. The invitation was accepted but the date was not set for this visit. The PRC minister arrived in Muscat yesterday on a 5-day visit. His Highness Thuwayni ibn Shahab, adviser to His Majesty Sultan Qabus and governor of Muscat, met in his office today with Zhu Muzhi, PRC minister of culture, who is currently visiting the sultanate. Yusuf al-'Alawi 'Abdallah, minister of state for foreign affairs, and Yahya Mahfuz al-Mundhuri, minister of education, also met with the PRC culture minister. During the meetings, the guest minister reviewed relations between the two countries and means of bolstering them and cooperation between the sultanate and the PRC in various fields. [Excerpt] [GF011958 Muscat Domestic Service in Arabic 1300 GMT 1 May 83]

CSO: 4400/311

## PLANNING, ECONOMIC FIGURES ASSURE OIL PRICE DROP WILL NOT AFFECT GROWTH

Aba al-Khayl Interviewed

Riyadh AL-YAMAMAH in Arabic No 746, 6-12 Apr 83 pp 3-13

[Article: "What Has Happened in the Oil Markets Will Not Affect the Domestic Economy"]

[Text] How will the new budget turn out? How will the future of the Saudi economy turn out? These questions have been preoccupying the hearts of many people, now that oil production has dropped and oil prices have declined. His Excellency Shaykh Muhammad Aba al-Khayl, the minister of finance and national economy, answered these questions with words that are as simple as they are significant. He said, "The disturbances that have occurred recently in the oil market will not affect our domestic economy, and no projects have been canceled. Rather, some excessive offers in bids are what have been cancelled. Our national economy is based on comprehensive development plans that will realize an annual growth of 8 percent, which is one of the highest rates of growth in the world." That means, as his excellency said, that the issue is not so easy, since some people are still imagining that the economy of the kingdom and its financial future will be affected by these events. After these necessary "reassurances," which have been preoccupying the minds and brains of people for some time, it was necessary for us to seize the opportunity to draw his excellency into a discussion on other matters related to the future of the domestic economy in the upcoming period. The oil markets have faced new setbacks. They may be saved from these setbacks; it appears that people's hearts, without the proper guidance, will continue to rise and fall as the oil prices are alternately affected by rises and declines. Here His Excellency Shaykh Muhammad Aba al-Khayl settles this whole "uproar" with a group of new "items of news" that will be of interest to everyone. In this important interview, he says that the disturbances that occurred in the oil market recently will not affect the conditions of contractors but might shift the demand for the "type" of labor in a later period from construction to maintenance and operating labor. He encourages the private sector to take the initiative to play its role in the domestic economy in full in the upcoming stage, especially since all circumstances are propitious for the sector to do its duty in running this strong economy. In this conversation, which was characterized by thorough understanding and comprehensiveness, his excellency talked at length about Saudi investments domestically and abroad, the conference of Saudi businessmen, the

money, exchange and gold markets, stock market speculation, the arms industry, the economic future of the Gulf Cooperation Council countries, and the story behind the boycott of some Lebanese goods. It remains to be said that none of this enable one to go without reading this comprehensive conversation, which is to be considered an important national action paper, especially in these times in which there is a great deal of talk about the Saudi economy, some of which is heartening and some of which is not.

This interview, then, in its totality, is a careful overview of our economic future, in which citizens, specialists and interested persons will find penetrating answers to most of the subjects that are preoccupying their minds and imaginations. It is as if his excellency the finance minister were presenting the broad outlines of the near-term future of the economy in it. It is full of many important, vital matters that will correct the pessimistic views that have followed recent economic events, and will help many people derive inspiration from firm ideas on the importance of construction in the context of independent economic circumstances, no matter what the events or emergencies might be.

AL-YAMAMAH: Some foreign news sources have broadcast the statement that there are a number of major projects that have been cancelled, including desalination and petrochemical projects. What is the extent of the truth in this news?

Aba al-Khayl: That news is not correct. All the situation amounts to is that there was a water desalination bid that was cancelled, because the bids that were offered to build the project were excessively high; this is something ordinary that happens every day. However, the news was broadcast in a deceptive manner, and some people exploited it to make the matter seem as if something out of the ordinary was happening. That was not the case.

AL-YAMAMAH: On that subject, much discussion is being raised these days about the drop in oil prices and the drop in oil production. These people say that what has occurred in the oil market will affect the domestic economy and the major projects in the kingdom.

Aba al-Khayl: That is an exaggeration, and it is not scientific or correct either, because every country's imports are subject to rises and falls for varying reasons; that happens to us and others besides us as well.

AL-YAMAMAH: Does that mean that the remaining work on the current development plan and coming development plans will progress at the same rates and the same enthusiasm and speed?

Aba al-Khayl: It is hard to answer that question, but it is certain that the fourth development plan will be set out in the light of economic developments in the world on the one hand and in the domestic context on the other.

Therefore, it might not be entirely simple to talk about the fourth plan as of now. However, the Ministry of Planning is now preparing preliminary plans for this plan. It is certain that we will need some time to determine the proper context for this plan.

AL-YAMAMAH: In spite of all this, doesn't your excellency believe that it is rather difficult to convince people that matters will go on as they are, in the face of the developments that have occurred recently in the oil market?

Aba al-Khayl: If the criterion for measuring the country's development is the rate of economic development, it is certain that the kingdom will be blessed by a high growth rate of no less than 8 percent a year for many years to come. This is a high rate in comparison with that in many countries of the world. This continuous rate will keep up with God's permission, in spite of the drop in oil production and oil prices.

AL-YAMAMAH: We are insisting on asking about this point because many people are talking these days about projects that are to be cancelled and others that are to be carried out in twice the time that had been scheduled for them, while yet others will be reduced. Is what is happening and what is being said an expression of a plan that the government is actually carrying out, which has no relationship to the issue of oil, or are these all manifestations of what has happened on the oil stage?

Aba al-Khayl: Development projects are not the only means for attaining economic growth. If the construction sector, for example, has gone through a stage of great expansion, it is not necessary that this sector's activity be taken as a criterion for growth. The completion of development projects does not mean development; it is one of the means for attaining it. If the construction sector has been taken as a symbol of growth during a specific stage, it is possible that the agricultural sector or the industrial sector might play the same role in another stage. This means that there are a number of different activities that interchange roles.

#### The Domestic Economy

AL-YAMAMAH: Some economists say that the Ministry of Finance and National Economy in the kingdom is in reality just a finance ministry, or is more a ministry of finance than domestic economy, as it is actually called. What has your ministry done for the domestic economy in order to respond to that sort of allegation?

Aba al-Khayl: The Ministry of Finance manages a group of domestic economic development organizations. These are the funds that play a major, influential role in development. Then it monitors the enforcement of government financial statutes in a manner that makes them more beneficial for producers, industrialists, and local contractors. The ministry uses customs tariffs to protect local production and distributes aid in a manner that causes it to have a positive effect on local activities. The ministry pursues its tasks relative to the banking sector, so that that may be at the service of the national economy, and it is carrying out a program of Saudization of banks, turning them into national companies. All these aspects lie directly and indirectly in the scope of the tasks of the domestic economy.

## No Infringement on Contractors

AL-YAMAMAH: There are hundreds of thousands of contractors in various areas of life working in the kingdom. Will their situation be affected now that oil prices and production have dropped? Will their number decline, for example? Will their earnings suffer? Will some of their benefits be eliminated?

Aba al-Khayl: There will be no infringement on contractors. These dear brethren will continue to be the object of appreciation and respect, they and their role, in the development of this nation. I do not believe that any measures will be taken to deprive them of any of their employment or material benefits.

However, it is natural, in a developing country like the kingdom, that its requirements for manpower, in terms of number and type, will change from time to time.

AL-YAMAMAH: How so?

Aba al-Khayl: For example, we have talked about the sector of installations. This sector has been built up, or almost so. This means that the needs in this sector might drop in the future below what they were in the past, at a time when demands in the maintenance and operating sector might increase. Therefore the type of manpower required might vary.

AL-YAMAMAH: What about teachers? Will their material circumstances be affected in any way?

Aba al-Khayl: There is absolutely no thought of that whatever.

## The Role of the Private Sector

AL-YAMAMAH: Regarding the first conference of Saudi businessmen, which was held in the Eastern Province, how does your excellency view the role of the private sector now and in the future, in the light of this conference?

Aba al-Khayl: The government is functioning on the basis of the principle of the free economy. That means that the private sector must play the main role in it. In a guided economy, the government does everything and owns all the means of production, while, in a free economy, the government builds the basic facilities and plays the role of legislator and regulator, then leaves economic activities in the hands of individuals. It has been proved through experience that the system which we have adopted is the proper one. This all means that the private sector must now take the initiative to play the major role in the process of economic growth and the attainment of comprehensive development. It must exploit its resources in full, now that the public sector has built the basic facilities in the form of roads, harbors, electrical systems, telecommunications systems, and so forth -- aside from the fact that the government subsidizes agricultural and industrial development. This all casts the responsibility of using these facilities and services in full to build up the economy of this nation on the shoulders of the private sector.



However, for some people also to wait for the government even to buy production is wrongful thinking and it will not build up any economy or create any development.

#### The Purchases of What Will Continue

AL-YAMAMAH: Can one understand from that, for instance, that the government will stop buying wheat from farmers someday?

Aba al-Khayl: The government buys wheat because it must provide a strategic reserve of grain throughout the whole country for a period of no less than 8 months. As long as this reserve exists in the domestic context, the government will buy it domestically; that is better than having it buy abroad. The need for this strategic reserve will continue to exist. This means that the government will continue to buy it.

AL-YAMAMAH: As far as the aid that is offered, whether in the form of the purchase of goods or direct aid to producers — will this aid be subject to any change or review in the future?

Aba al-Khayl: This aid is a type of incentive, and it will continue as long as the goal that it is desired to achieve requires that these incentives be provided. However, it might shift from one area to another and take diverse forms. Nonetheless, it is certain that the aid, by its nature, is not fixed, and that it has a specific role which will end when the desired objective is realized.

AL-YAMAMAH: Some businessmen who have started or are now starting their work in the private area might feel that the people who preceded them in the same field in previous years enjoyed a degree of encouragement and benefits whose likes they have not obtained, and that might not encourage them enough to embark on the experiment with the same enthusiasm as those who preceded them.

Aba al-Khayl: That is not so. First of all, from the standpoint of principle, no group is dealt with at the expense of any other group; I mean, there is no discrimination in treatment. Second, there is the year of development. Third, which is more important, we must realize that the benefits that were given to those people were very essential at the time, because the beginning was difficult. Now, however, that growth has been achieved and services have been provided, the need to provide such benefits is lessening. In other words, I can state that the new people coming in will find that the means for producing in the industrial and agricultural contexts are much more available than those people who preceded them in previous years found them. Consequently, these new people will need fewer incentives to achieve the same results.

#### No Taxes Now

AL-YAMAMAH: Some people consider that the owners of large volumes of capital in the kingdom, in the form of merchants and so forth, should pay some taxes to this nation. Why isn't the government thinking of setting out a tax system that will operate to receive taxes — let us say this in explicit, clear form —

on the large amounts of money that are at work in the country? It is true that we are a rich country, but the major rich countries, such as the United States and the countries of Western Europe, take escalating taxes from individuals and companies, so that those taxes can contribute to the process of the growth of society.

Aba al-Khayl: These rich countries you mentioned rely basically on taxes -- in fact they are rich countries because they collect large taxes. The individuals in these countries, be they persons or legal personalities such as companies, make large incomes because they produce abundantly and consequently realize high profits. Therefore they pay greater taxes. They produce, profit and earn high incomes, on which they pay large taxes. Thus the government becomes rich, and the same thing is true the other way around -- when economic activity is low, production lessens, therefore incomes lessen, and at this point the taxes the government collects drop, and its resources become limited.

Since we in the kingdom are set apart by a distinctive economic situation which is embodied in the existence of resources like oil, which provides revenues for the whole nation from which spending on basic facilities and government services takes place, we must use these resources in the first stage to build development and create opportunities for the private sector to work, produce and realize profits. Then after that there will come a later state, in which it becomes incumbent on them to help pay their society's expenses.

Therefore I believe that it would be better, at the present time, to seek to create incentives and policies that will result in inducing the private sector to increase investment activities in the kingdom so greater national capital can be formed, can produce more, and can realize greater profits, instead of imposing taxes.

AL-YAMAMAH: However, the notion of setting out a tax system is still present, to be carried out some day.

Aba al-Khayl: That is the normal development, but it will take a long time.

AL-YAMAMAH: The businessmen's conference was an occasion for a dialogue between businessmen and officials; did you hear anything new, as a result of which one could say that the conference was a success?

Aba al-Khayl: Businessmen heard more from officials than officials heard from them. The questions that some of the people in attendance asked for the most part revolved around small issues, except for several that discussed general trends and policies. The answers given to them were an opportunity to describe the general outlines of government policy.

I believe that in future conferences we will have to have mutual benefits on the part of both parties. Nonetheless, as a beginning, the conference was good, although in the coming occasions they will certainly be better in terms of the benefits derived.

## A Conference of Conversation, Not Resolutions

AL-YAMAMAH: There are people who say that this sort of conference ought to assume a better organizational form, and rise above the level of a symposium in which it was held to the level of a working conference which will set forth recommendations from which the public and private sectors alike will benefit -- a conference that will have a secretariat general that will work diligently with resolutions and recommendations, monitor them and program them, until they are put into practice.

Aba al-Khayl: I do not believe that that is desirable. The goal in such conferences is to hold conversations and exchange views, without reaching the point where resolutions are adopted, because, when a conference assumes this form, the parties taking part in it function in accordance with different considerations and as a result it is difficult to come up with resolutions.

Meetings whose objective is to adopt resolutions have a different character. Both types are requisite and necessary. Conferences of dialogue are necessary in order to generate public opinion on given issues. Conferences of resolutions are necessary also, but on another level. This means that the output of free views that were presented in the businessmen's conference, for instance, could be the subject of discussion so that resolutions may subsequently be adopted.

AL-YAMAMAH: Saudi investors, in comparison with their counterparts in other countries in the world, enjoy substantial support from the government in the form of loans and other facilities; however, it has been observed that their receptivity to participating in the consummation of the government's interest in them. What is your excellency's explanation?

Aba al-Khayl: As regards the first part [of the question] to the effect that the Saudi investor or the Saudi private sector enjoys support from the government that corresponding sectors in other countries rarely possess, that is true, and the fact is that the subsidies do not just go to people taking part in investment activities, in the sense that only persons or companies that actually proceed to carry out specific projects, whether they be the production of goods or services that are included in subsidy programs, obtain loans or aid. Therefore, the question could be, "Is there strong enthusiasm on the part of the private sector within the kingdom that is matched or paralleled by the enthusiasm or receptivity that the government expresses or is paralleled by what the government expects from it?"

This question, in this form, is preferable, and the answer to it is that it is natural, in a developing country, which has started growing recently, like the kingdom, that there should be a time lag between the acquisition of the opportunity afforded by general government policies and the people's response, because the situation requires a certain amount of time for decisions to be adopted and private capital to be formed. Also, there are other factors related to the capital owner's boldness in investing and to his personal expertise. When capital in the private sector grows over a specific period of time, and knowledge is formed, his initiative to invest begins.

Another point which is related to the subject is the completion of the basic facilities that will make the economy capable of moving more rapidly, in the sense that it is possible than in an agricultural area, for example, adequate farmland and water might be present but it will be difficult to pursue agricultural investment there until a road and an electrical system are provided, and consequently that will have to wait awhile.

Therefore the final answer to the question is that this is a normal matter but, beginning from now, that is, from the period we are in now, the private sector must move with greater speed than it was in the last 10 years. If it does not move at the speed we expect, then the characterization with which the question began will apply to it.

AL-YAMAMAH: How do you foresee this situation? Will there be a desired takeoff, or will there be a deficiency to some extent?

Aba al-Khayl: I do not consider that there will be a deficiency. I believe that that is the normal situation, since it is not possible for us to expect the private sector to start at the same time the government does, or to proceed at the same speed and the same pace. That is, there is a time lag between the start of activities and a lag in the pace.

#### Deposits Are Great

AL-YAMAMAH: Statistics indicate that the total deposits in local banks come to more than 70 billion riyals. This figure is a large one without a doubt, but if we look conversely, at Saudi investors' participation in development plans, we will find that that is of a meagerness that is not proportionate to this massive figure. What have you done to draw these deposits into productive investments?

Aba al-Khayl: That question complements the preceding one. It is true that there are funds in the banks in the magnitude you mentioned. It is certain that some of them are matched by the facilities and loans the banks give, and, if there is a surplus, the banks deposit that abroad, for instance. The reason for that is that the absorptive capacity of our local economy is less than the funds that are available, and consequently there are funds that are unused, in the sense that the volume of loans required from banks for investment and domestic activities are less than the existing funds that are available and can be lent by banks. The difference finds its way to investment abroad. In the past 2 years, the flow abroad was encouraged by the rise in the interest rate abroad, attracting money for investment and the acquisition of a good return at no effort.

AL-YAMAMAH: Doesn't that negatively affect the domestic economy?

Aba al-Khayl: The effect, negative or positive, comes about as a result of the way in which the funds are used. If the funds stay inside the country and do not end up in productive investments, but are directed rather to speculation in land, stocks or the like, that will be harmful to the domestic economy; if they go outside the country and are used in investment which has relevance domestically, that will be beneficial. However, if they are used in another



manner, for instance purchasing buildings, that will be harmful to the domestic economy, because that will be considered a waste of domestic money used for the benefit of another economy.

In any event, let us not forget that the kingdom is part of the world and its financial market is part of the world market, and it is necessary to preserve this distinctive feature. Consequently the inflow and outflow of money are governed by factors that are determined by the owner of the money. Therefore we in the kingdom have foreign money that operates in the kingdom, just as the kingdom has money that is working abroad. The best thing is for us to concentrate on ways of attracting money of its own choice and by its own conviction.

#### No Infringement on Economic Freedom

AL-YAMAMAH: Some Saudi investors have invested their money abroad in a manner that is perhaps not satisfactory. What is the government's position on these investments?

Aba al-Khayl: The rule on the freedom to move capital around, and economic freedom, exist, and must not be infringed. If aspects of deficiency such as those you observed appear, they must not infringe on the principle -- that is, you must not deal with them in a manner that affects the principle but must deal with them within the limits of the principle itself. If one wants to deal with them in the limits of that principle, then all one has to do is provide enlightenment, by providing greater information on various forms of investment domestically, so that the financial organizations will enlighten their agents domestically, because adventures or the direction of funds in different directions are not to their benefit.

AL-YAMAMAH: We have actually been concerned about the question, because there are Saudi capital owners who go abroad and invest their money in cities like London, New York, and so forth, for instance when one of them builds a 45-story building, while his own country needs to have a factory built that will not cost 10 percent of that amount.

Aba al-Khayl: That is certainly wrong. The person who is engaging in that behavior is certainly wrong, and from the purely investment standpoint, the risks in money invested abroad are greater and its yield is less. In any event, it is under the jurisdiction of other political authorities, and therefore the capital owner's control of it is much weaker than it would be if it were in his own country. Indeed, even if you put patriotic motives to the side and hold the man to account for purely financial factors, you will find that his decision was wrong.

AL-YAMAMAH: What is the government's position on this sort of situation?

Aba al-Khayl: The government is striving to expand investment opportunities domestically and is preparing opportunities for investment through basic facilities, incentives, loans and aid. This will all attract people to invest by direct and indirect means, but the government will not make decisions in the place of investors.



## A Committee To Investigate the Subject of Agencies

AL-YAMAMAH: In the latest businessman's conference, some points in the statute on commercial agencies was attacked. Is there any intention to amend the statute in a manner that will ensure better protection for businessmen?

[Answer] If you mean commercial agencies, that is, the old statute that is related to agencies for the distribution of products, it is necessary that there be a Saudi distribution agent for every company and every product. I do not have information that would enable me to answer that question; perhaps there is more information in the Ministry of Commerce.

If, however, you mean the statute on agencies in the sense of a statute that gives the right or imposes on foreign companies the condition that they have a Saudi agent who receives a percentage of the contracts they get in the kingdom, there is a committee which is investigating this subject.

## The Responsibility of the Private Sector

AL-YAMAMAH: The conference of Saudi businessmen stressed the importance of private sector participation in the development process. How do you envision this participation?

Aba al-Khayl: Development in its broad sense, in a country that is proceeding along the system of the free economy, can take place only through the private sector. The government's role is one of basic industries and the establishment of basic facilities for industry in the form of roads and communications systems, and the creation of laws, incentives, and financing organization, such as loans, aid and so forth. As for the rest, in the observations I mentioned before the conference of businessmen last week in al-Dammam, I can say, starting now, that the role of leading development will be up to the private sector. That is economic development in its real sense. The private sector must exploit all the sources of production that are available in the country.

AL-YAMAMAH: What is your appraisal of the extent to which the private sector is exploiting the sources of production?

Aba al-Khayl: We talked about this point at the start of the conversation. I believe that we are on the right road and that the private sector's activity is constantly expanding. Proof of that is the fact that its contribution to national production is increasing and the number of commercial organizations is increasing. Consequently, I imagine that what we will be seeing in the next 10 years will be much greater than what we have recorded in the past, because the growth rate will be greater.

AL-YAMAMAH: So you are optimistic.

Aga al-Khayl: I do not believe that there is any private sector in any developing country that has been provided with the opportunities and has the unlimited profitable investment opportunities that have been obtained in the kingdom. If commercial organizations come from abroad to benefit from the situation in the kingdom, what do you think the case is with the people in the country itself?

There is no doubt that the private sector is experiencing a historic opportunity.

#### The Distribution of Company Stocks

AL-YAMAMAH: The government is raising the slogan of the Saudi zation of activities but it nonetheless prohibits Saudi investors from going into areas such as the petrochemical industry, while it does accept participation by foreign investors. How is that?

Aba al-Khayl: The petrochemical industries in which the government has taken the initiative involve basic petrochemicals, and basic projects require massive amounts of money which the private sector was not able to provide with the speed or ease with which this money was provided, whether to build the areas where they are being set up, such as al-Jubayl or Yanbu; or invest in these industries. Nonetheless, the company the government founded and to which it assigned the establishment of these projects will distribute its stock to the private sector, since it will sell that gradually by offering it for public subscription. On the matter of the foreign parties, foreign parties are needed for knowledge and science, because all these industries are established on scientific methods and inventions that are owned by law by foreign companies. In addition, there are no means for transferring technology — the goal toward which the developing country is aiming — except through this practical method. Let us not forget that basic petrochemical industries are the basis of consumption abroad, and consequently the priority for establishing them in a manner which will offer an opportunity for marketing abroad is right. In this context getting foreign companies to participate is a necessity.

AL-YAMAMAH: However, there is marketing domestically.

Aba al-Khayl: What is marketed domestically is small in volume; the main volume is for consumption abroad.

#### An Investment Holding Company

AL-YAMAMAH: Does that mean that it will be for export?

Aba al-KHAYL: Exactly. When we talk about non-reliance on the exportation of oil as a raw material and the creation of other sources, other sources for export, so that the country will be able to export other commodities and consequently obtain the value of its exports in the hard currency by which it will be able to import its needs, in the sense of having the government venture to establish basic projects, that was a matter that there was no alternative to, I believe, and was dictated by the needs of the stage our economy was going through. However, don't forget that on these basic industries an immense series of secondary petrochemical industries will be established. That is, specific material which is prepared from the basic industries is not used directly but is used to manufacture a series of secondary industries. Consequently, this field will be open to the private sector on the broadest scale. At the present time an industrial corporation is in the process of being established and that will take the form of a holding company, will be totally in the hands of the private sector and will establish projects in

various fields. I expect that one of the first of these will be secondary chemical industries. These industries will be more capable of being absorbed domestically than abroad.

In summary, the reason the government has gone ahead with basic petrochemical industries is that these industries required large amounts of money that were not available to the private sector at that time, and they required the use of government connections to find foreign partners with expertise. In order to bring these projects into being quickly, the government has mobilized incentive oil, that is, giving a company a specific amount of crude oil, not free of charge, but at the regular price, but with the objective of guaranteeing that it will obtain a specific amount of crude oil to encourage the projects.

AL-YAMAMAH: Is this in exchange for what these companies do through their contribution to the kingdom?

Aba al-Khayl: In past years, there were difficulties in having some companies obtain guaranteed supplies from specific sources which would guarantee that they would obtain crude oil in a specific period in specific amounts. Some of these companies have received compensation as encouragement to invest in these projects.

#### Oil Is a Feedstock

AL-YAMAMAH: Economically, do you consider that these sorts of industries will someday take the place of oil in forming a good national income?

Aba al-Khayl: In accumulating the hard currency the kingdom obtains in exchange for its exports abroad, instead of restricting itself to exporting oil in its crude form alone, the kingdom has started to expand different types of exports so that these will consist of crude oil and oil products, then secondary petrochemical industries, and so on. The orientation will be reliance on oil and gas as energy or as a feedstock (raw material).

AL-YAMAMAH: A large group of Western countries have doubts about the economic feasibility of these projects in the short term.

Aba al-Khayl: That began to appear some time ago. At present, though, people who believe that these industries are feasible are more numerous than those who have doubts. There is a feeling in the world that allocating the area of the kingdom and the Gulf to petrochemical industries is totally proper, because that area can produce these materials at lower cost, and consequently that is in the interests of the kingdom and the world.

#### Distinctive in Petrochemicals

AL-YAMAMAH: As is well known, there are sectors which the private sector abstains from participating in, such as heavy industries for instance, since the revenues from those are limited and require patience and years of waiting. How can we attract investors to these sectors?

Aba al-Khayl: Heavy industries are to be considered an expansive field which is not directed in a specific manner. You can say that basic chemical industries are heavy industries, in the sense that they are basic ones. The iron complex industry in al-Jubayl, for instance, is a heavy industry. However, the question which ought to be raised is, are there economic opportunities for establishing heavy industries in other areas? That is, is it in the kingdom's interests to invest money and manpower in an industry that is not marked by marginal ones only? I can state:

Since the population is limited, industries that require massive manpower are not needed. It would be better for us to establish industries in which we have a large advantage, which will make them profitable and enable them to compete abroad with other similar industries from other areas. Industries in which you have no distinction over others mean investments that are exposed to risks. For example, in the petrochemical industries you have a distinction over others in view of geographic location, energy and raw materials. This all gives them advantages over others. At the present time, similar industries have started producing at below capacity in other areas of the world, or have even been eliminated or nearly so, because their owners realized that it was necessary to use resources. In Japan for example they started to direct their economy years ago into specific areas and to abandon areas where time would not allow them to continue.

AL-YAMAMAH: It has been observed that there are fertile areas for investing to which Saudi investors have not addressed themselves in noticeable form, indeed that they have left them to foreigners, such as construction. What is your explanation in justification of that?

Aba al-Khayl: If you are talking about manpower, I do not believe that there is enough manpower for the current construction work. Consequently, there are economic reasons why citizens refrain from working in that field as well. However, if by investment you mean the formation of contracting firms, that field exists and there is activity in it. However, the competitive power of some contracting firms that come from countries that are distinguished by a plethora and low cost of manpower is much greater. There are examples in the competition that has taken place in the kingdom among Korean companies, European ones and American ones: that has favored the Korean companies.

In any event, the broad scope in the contracting sector is a temporary thing, because when the period for constructing the basic facilities, which require a very large volume of these contracting activities, passes, activities will drop to their ordinary level and consequently will require only a lower level, for continuation and maintenance only.

Over the long range, I believe that the contracting sector will continue to exist, and the ordinary growth that we can expect from it will cover the country's needs.

#### Small Companies Are Required

AL-YAMAMAH: There are numerous charges that have been directed against the statute on corporations. What, in your excellency's opinion, are the negative and positive features of this statute?



Aba al-Khayl: I do not believe that there are any problems now. The measures for establishing corporations have become incomparably easier than they were. The observations related to subscriptions can be resolved by the execution procedures and this is what the Ministry of Commerce is actually doing.

I now hear a great deal about the establishment of corporations in all sectors. I do not have any objections to the establishment of such companies, but we must think about the matter a little, because corporations are not the only form, the only one by which matters can be directed properly. These companies might be suitable for specific sectors where the money invested is massive and activities are limited. Conversely, there are sectors for which these companies are not suited. If companies of individuals, who may be large or small in number, are established for these sectors, that will be better for the domestic economy. Take for example the transportation sector; it is an active sector and there are thousands of people who have privately owned vehicles. Large corporations whose existence might eliminate these thousands of owners of vehicles, with their anxiety over their revenues, are not appropriate for this sector, for example. Therefore it might be better for the people, for the nation, and for the domestic economy to establish small companies in this sort of service area than to establish big corporations. There are many other sectors where it is not in people's interests to have the contributions of individuals disappear from them, such as the sector of maintenance, the sector of agricultural marketing projects, and most public service projects. This all means that comprehensive development means that everyone should be given an opportunity to work, so that the corporations will not suppress the efforts of individuals, swallow them up and drive them out of the market. Corporations can end up in the hands of a small group of people, but small and medium organizations include a bigger sector.

#### 30 Percent of the Value of Contracts for Saudis

AL-YAMAMAH: What about the new legislation to support the private sector in government contracting and projects and the system of making purchases on the local market?

Aba al-Khayl: This project has the goal of compelling foreign contractors to assign no less than 30 percent of the contracts they obtain to Saudi subcontractors. The draft specifies specific areas, for example, such as transportation, domestic industries, food, banking services and so forth. This means that if a company for instance obtains a contract to build some construction project, this company must use and buy local things amounting to about 30 percent of the volume of the project. The goal in this is to prompt foreign companies to increase their dealing with the local market.

AL-YAMAMAH: Won't the consequence of this condition be that the prices of the contracts will rise, after the foreign companies find themselves compelled to buy domestically instead of importing from their own countries?

Aba al-Khayl: No, because conditions of this sort have been present in all contracts for a time; only the percentage was not specified, but the commitment always existed. Above and beyond that, the goods and services the project requires are now largely available. Moreover, they are also cheap. The expansion



in the local market give foreign contractors abroad room to choose and, as a consequence of that, creates competition.

#### The Costs of Projects Have Declined

AL-YAMAMAH: Symposia were held recently in the Management Institute and King Saud University, which discussed the reasons for the rise in government bid contracts. What are the reasons for this increase, in your excellency's opinion?

Aba al-Khayl: The market is subject to the principle of supply and demand. This principle is the fact of facts in the world of money and finance. There is an old maxim among the people which says: "inflation attracts." That means that when the price of a commodity rises, it attracts people who import or produce it, and its supply increases, so that the price drops.

There were many projects, and the contractors were not up to projects of this size. When the contracting firms, domestically and abroad, increased, the price immediately dropped. We in the Ministry of Finance, for instance, have seen an obvious difference between the costs of projects now and in the past. The issue of the high costs of government projects is an important one which his majesty the king followed personally, until important progress was made in it.

#### The Economics of the Cooperation Council

AL-YAMAMAH: A few days ago the actual application of the economic agreement among the Cooperation Council countries began. In your excellency's estimation, will that agreement lead to the establishment of real economic cooperation that will go beyond the benefits and facilities that individuals receive? How can that take place?

Aba al-Khayl: The execution of the economic agreement and the establishment of a Gulf common market will realize major benefits which will go beyond the facilities and profits the individual will receive, because this market will result in the creation of a broader market for all the producers of goods and services in this region, not to mention the fact that the flow of these goods and services will be eased. That will bring benefits to all the producers in this region. The benefits of this activity will be general throughout all parts of this area. No group of countries in a given geographic area ever entered into an economic federation that was founded on reasonable bases that achieved anything but splendid success. What would one say, then, if those elements that joined forces were a group of homogeneous countries with a single geographic, human and economic nation, as are the kingdom and the Gulf?

AL-YAMAMAH: Couldn't that Gulf investor open a factory for himself in the kingdom?

Abz al-Khayl: The statute on the investment of foreign capital in the kingdom gives the European investor, for instance, the right to establish a factory for himself in the kingdom in accordance with the conditions of the statute. Doesn't the Gulf investor deserve to be treated in the same way this European investor is?

## Military Industries

AL-YAMAMAH : From time to time, a sensitive, important issue is raised, which is the issue of the establishment of a Gulf military industry. In your excellency's opinion, would the establishment of this sort of industry lead to service for the national economy of the Cooperation Council countries, above and beyond the military benefit of course?

Aba al-Khayl: I believe that there is a very good chance for the establishment of this sort of industry. It has an excellent future, there is no doubt about it. However, I do not actually have adequate information on this subject.

AL-YAMAMAH: We read recently in some newspapers about the Santa Fe company the American government decided to prevent from drilling on federal lands. This reminds one of the former Carter administration's decision to freeze Iranian assets in American banks during the hostage crisis. Doesn't this stand raise numerous doubts on the feasibility of Arab investments in the West and guarantees to ensure the freedom of movement and security of these investments in times of political crisis?

Aba al-Khayl: To begin with, the two cases are not similar. I mean the problem of the Santa Fe company and the problem of the freezing of Iranian assets -- one cannot find any relationship between them. What I want to say is that the kingdom does not believe in a policy of permanent investment abroad.

As far as government money goes, the government does not have long-term investments abroad; all its long-term investments are inside the country. The problem of the Santa Fe company, as the Kuwaiti minister of petroleum stated it, is a purely legal one; it can be summarized by the American government's refusal to give an American company that actually exists a concession to explore for oil on specific territory in the United States, and, as was said in the newspapers, there is a legal argument over that decision.

## No Long-Range Investments abroad

AL-YAMAMAH: What about the kingdom's investments abroad?

Aba al-Khayl: As I said, the government does not have long-range investments outside the kingdom. Surplus public funds are invested in short-term and medium-term investments in order to realize a suitable return, and to make it possible to transfer them into the country when needed, without hindrance.

AL-YAMAMAH: Our question remains, your excellency the minister: even if these are medium- and short-term investments, couldn't they face the dangers that Iranian money, for example, faced in America?

Aba al-Khayl: No investments by any given country in any other country are not a prisoner of the political will of the other country, whether they are private or public, and that is obvious, because every country is engaged in applying its own statutes within its own political boundaries; this is a principle of sovereignty which is not debated; as long as you are investing money in a specific country, that lies under the influence of the country in which it is

invested and is subject to its will, and all a foreign investor can do is to manage his foreign investments, in terms of forms of foreign currency, investment locations, and the type of investment, in a manner which will reduce risks or make their effect on it as slight as possible.

#### Arab Investments

AL-YAMAMAH: That raises another question: why isn't there a countervailing tendency to develop investments in the Arab world?

Aba al-Khayl: The efforts that have been made to encourage Arab investments in the Arab nation have not been exerted in any other similar groups of developing countries in such a magnitude. The Arab countries, through the Economic Council of the Arab League, have managed to issue a number of agreements encouraging the flow of Arab capital within the Arab nation. It is of course agreed that any Arab country will give Arab capital greater freedom than that it gives foreign capital, while being careful that all this movement of Arab money among the numerous Arab countries will take place in the context of the political boundaries of these countries' relations with one another.

However, the limited nature of the expertise of the money and business sector in the Arab world, not to speak of the differences in economic systems, alongside the political circumstances that pervade the area as a whole, may all perhaps pose some obstacles to the absolute freedom of the sector of money and the economy among Arab countries.

AL-YAMAMAH: Does that mean that political instability in this region is limiting a complete range of investments among the various countries in it?

Aba al-Khayl: This is one factor, and perhaps one of the most important ones. However, it is each country's internal policy that affects the volume and type of investment in that country.

AL-YAMAMAH: Are there any plans to think about this issue?

Aba al-Khayl: There is an agreement to guarantee investments, and there is also an organization to guarantee Arab investments, which is a financial institution which provides guarantees for investment activities against all economic risks in the country where the investment is being made.

AL-YAMAMAH: What is the proportion of the kingdom's investments in the Arab world relative to its investments abroad?

Aba al-Khayl: We do not have enough data. We in the kingdom do not have any restrictions on the flow of investments abroad or domestically, and, as a consequence, the owner of the money is free to invest it anywhere.

#### The Expansion of Development Investment

AL-YAMAMAH: What about the government's investments?

Aba al-Khayl: The government is a different matter. There are companies that Arab countries — I mean governments — have established among themselves for

development investment, and these companies have expanded their activity in a very good manner. On the other hand there is the activity of the Saudi Development Fund, which lends to other countries to carry out development projects, and its loans are for long term.

AL-YAMAMAH: Doesn't the case of the Santa Fe company raise the issue of investigating the prohibitions that must be placed on foreign investment in the kingdom and the Arab countries?

Aba al-Khayl: There is a statute on the investment of foreign capital in the kingdom, and this statute defines the areas which foreign capital must address itself to and the manner in which it must commit itself in this field. An example of this is the fact that all the banking institutions in the kingdom have become Saudi banks. The kingdom has also shifted the main oil company to Saudi ownership. This means that every country acts in the light of its national interests.

Foreign investments, in all countries are subject to laws which govern them, starting with rigid laws which totally prohibit foreign investment, as in left-wing regimes, and ending with flexible laws which provide freedom of investment, as in the United States of America. We in the kingdom are following a flexible system that permits foreign investments in specific sectors, in accordance with Saudi statutes.

The Santa Fe problem which you gave as an example is, as I have mentioned above, a purely legal problem and I believe that it will be resolved in that same context.

#### Gold Speculation

AL-YAMAMAH: The financial market, a short time ago, suffered a sort of confusion as a result of speculation in the gold market by some people, which resulted in large losses that adversely affected national income. What is the magnitude of these losses, and what preventive measures has the government taken so that they will not be repeated?

Aba al-Khayl: The government has nothing to do with this matter. This money belongs to the people and they are free to do what they want with it. The fact that some people sold or bought gold and lost or gained by taking that risk is a purely personal one, because the prices of gold fluctuated in the last 5 years from \$200 to \$300 an ounce. That led to rapid profits, and it also led to disasters, but speculation as a mode of behavior is something bad, same as gambling. You may win at it initially, but in the end you will be the loser, and perhaps you will suffer more than a loss. The worst thing that developing societies suffer from is their affliction by the emergence of speculation. Here gold is just a commodity like any other. What is true for any other commodity is true about gold in terms of sales, purchases, profit and loss.

AL-YAMAMAH: Doesn't this loss have an effect on the national economy?

Aba al-Khayl: It does, without a doubt, because money is ultimately the same, whether it is in the hands of individuals or in the hands of the government.



It is the money of the entire nation, and the proper use of this money will realize benefits for the nation and its economy, and the converse holds also: when some people act in ways that are not successful and that have or will lead to losses, that is something that also has a repercussion on the national economy.

#### The Regulation of Money Changing

AL-YAMAMAH: There are a number of banking firms and institutions that carry out banking activities; what is the situation regarding those, and what means are there for regulating them?

Aba al-Khayl: That is not true — there is a bill that has been issued by the Ministry of Finance which is now being carried out by the Monetary Authority reorganizing the moneychanging sector to limit it to moneychanging activities only, such as the activities of changing money, selling checks and so forth. I would like to state that the moneychanging sector has played a good role in the financial development of the kingdom. However, that does not conflict with the statement that it is in the interests of the nation, and in the interests of these moneychangers themselves, to limit their role to the occupation of moneychanging only. Banking activities are something else, and are totally different from moneychanging activities.

#### A Study of Stock Activity

AL-YAMAMAH: There has been unremitting activity to sell stock in banks and companies. Will this activity be subjected to supervision by the government? What reservations are there against working in it?

Aba al-Khayl: This activity has increased in the past 2 or 3 years. Consequently, the search for regulatory methods to which to subject this sector must take some time.

Contacts are now being made among the Ministry of Commerce, the Ministry of Finance and the Monetary Authority to discuss this subject.

As is the case with speculation, this leads to the shift of the stocks that smallholders possess, under the enticement of rapid profits, to the hands of the major speculators, and these are then resold in the fever of speculation and fantastic profits occur.

Thus speculators run the market. In this, they are helped by their ability to allocate large amounts of money to purchases, with the objective of raising the price, then to sales, with the objective of lowering it, and they then buy at the low price. Thus, people who are calling for stock exchanges like the foreign ones in a country that has great financial liquidity matched by limited stocks want, through this prescription or inclination, to plunge our society deep into these problems, to divert it from focussing its efforts on the growth and distribution of wealth among the greatest number of people and thus the attainment of welfare and prosperity that will spread throughout society. However, it must spread in a manner that is not artificial, and be free of speculation, so that the stock will not be used as a means for enticing people to make fantastic profits. Otherwise, it will become a bad way to increase inflation.



AL-YAMAMAH: Could we establish a market for stocks to determine the form of activity in these stocks?

Aba al-Khayl: The market is not the only means of regulation. Moreover, it cannot be effective unless the volume of stocks is very large, so that the occurrence of contrived speculation can be prevented. To give an example, and make the picture more vivid in our minds, it is enough to realize that 20 million shares are transacted in one slow day on the New York stock exchange.

AL-YAMAMAH: What about the free zone?

Aba al-Khayl: The free zones are an old institution which time has eliminated. The whole kingdom has become a free zone.

#### Stability in Gold

AL-YAMAMAH: Every month the kingdom imports large quantities of gold. Is there any government followup on operations like this, especially since gold markets are unstable?

Aba al-Khayl: Gold is like any other commodity and the importer is free to import what he wants. The quantities of gold that were imported last year were perhaps indeed large, but I believe that they are now stable; I can ask Customs about the volume of gold that is now being imported and exported, since I do not now have the figures.

In developing countries in general, where people's expertise in economics is low, the propensity of owners of money to invest in gold is great; that is the traditional means for saving, and is the repository of value. Therefore, the owners of money resort to using their money, or part of it, to buy gold, because its worth lies within itself, as it is said. However, the purchase of gold freezes money and prevents it from exercising its natural role in productive investment.

#### A Tax on Company Profits

AL-YAMAMAH: The home countries of some foreign companies tax those firms on their income from projects they are establishing in the kingdom. These taxes come to 30 and perhaps 50 percent, which increases costs, because these taxes are added to overall project costs. Why doesn't the Saudi government collect these taxes, instead of other countries?

Aba al-Khayl: There is no country in the world that does not collect taxes of various kinds from companies and individuals.

Taxes are the main source of countries' finances, and out of that, spending on various areas takes place. Money from taxes is spent on projects and public services. The kingdom collects taxes on the profits the foreign companies operating in the kingdom pay. There is a system for taxes on profits, and the highest rate is 45 percent. As for the incomes of foreigners, taxes are not taken from them. Saudis pay the religious tithe.

Because the system of tax on Saudis, that is, the religious tithe, is different from other tax systems which governments impose, the establishment of agreements to prevent duplication in taxes comes up against difficulties in execution.

However, there have been discussions with certain foreign countries to create an appropriate context for agreements which will fulfil the same objectives.

#### No Decrees against Lebanese Goods

AL-YAMAMAH: A problem has arisen recently on goods coming from Lebanon. We have read many statements on the matter. What does your excellency say about this problem?

Aba al-Khayl: This issue has gone through numerous stages, the upshot of which was that the kingdom passed this decree. The decree therefore was taken in the light of thorough study and was not issued arbitrarily. We observed a large increase in certain goods coming from Lebanon, and our doubts confirmed the fact that there were no distinctive marks on them to show where they were manufactured. Then contradictory marks appeared on others. Doubts arose that the production of these goods could have increased so rapidly, in the light of the circumstances Lebanon has been going through. The Ministry of Finance called for the formation of a committee to examine and study the matter and review all the data on it. In the light of this study, a recommendation was adopted banning certain goods in which a large increase had been observed, where doubts had arisen indicating that they had come from other areas, via Lebanon -- such as Israel, for instance. The important thing is that the prohibition was not comprehensive but covered certain categories such as readymade clothes. The decree has been adopted and actually carried out.

AL-YAMAMAH: Did specific problems occur during the adoption and execution of the decree?

Aba al-Khayl: During the adoption of the decree it happened that large amounts of goods that had been loaded before the decree was announced and the exporters were notified of it reached Saudi customs. In appreciation of this circumstance, committees were sent which investigated these goods and permitted the entry of those which were believed to have been made in Lebanon. Another team, composed of Saudi customs officials, was then sent to Lebanon, and they are there now, to prepare data on Lebanese industries and determine their capacities so that these industries can come on to Saudi territory in accordance with this data.

The statements and items of news that have been published have been very exaggerated. They are not in keeping with the magnitude of the decree that was adopted regarding a few types of goods, which increased by large volumes following the Israeli occupation of Lebanon. The decree was ultimately adopted to protect the Lebanese themselves and to protect their industry, so that the unobstructed flow of their goods could be ensured.

AL-YAMAMAH: Have Saudi merchants suffered negative effects because of this decree?

Aba al-Khayl: The decree was issued first of all to protect these merchants from buying and selling fraudulent goods. Secondly, the material that has come in has been investigated, as I told you. Then, above all this, national considerations override everything else.

AL-YAMAMAH: What was the reaction in Lebanon?

Aba al-Khayl: A racket was stirred up, and then an emissary came from the Lebanese government, we explained the matter to him, and he was persuaded that the decree had been adopted on behalf of the Lebanese themselves, because, if we open the door to encroaching Israeli industries, Lebanese industry itself will be the first to be harmed.

AL-YAMAMAH: What oversight measures were adopted to cope with this sort of thing?

Aba al-Khayl: As soon as the customs officials' mission ends and the Lebanese industries and their production and specifications are determined, in the light of this delegation's activity the inspection will be done by customs in normal fashion, because the rules will be set out to ensure that these goods flow from the source itself.

#### Minister of Planning Emphasizes Domestic Needs

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[Text] In this comprehensive interview with Shaykh Hisham Nazir, the minister of planning, his excellency said that the Saudi citizen will not be affected in any way by the drop in oil prices and production, and that the services he receives will not be reduced — rather, to the contrary, the fourth development plan, which has started to be prepared, will concentrate on the Saudi people in the first place, to make them into people who are qualified and productive, now that the country, with all its capabilities, has shifted from construction to production. These people in the coming years will enjoy a kind of quality of life, improved services and high level of environment which will eventually match the most advanced international levels. As for contractors, only a minor percentage of the ones working on basic facilities in construction and building operations will be dispensed with, because in the coming stage we will naturally be orienting ourselves toward a different type of labor, which is connected to management, maintenance and operations. This conversation with his excellency the minister includes a group of "facts" on whose basis construction in this country is proceeding firmly and steadily. Suffice it to realize, from these facts, that the rate of annual growth in the non-petroleum sector in the first and second years of the plan came to more than 10 percent per annum, although the targeted objective was 6.5 percent, that none of the projects in the plan will be affected now or in the future, that electricity has reached 7 million citizens in the kingdom so far and will cover all the south in 2 years, and that 56 percent of the volume of the technical labor that has been provided in the Sabic company are Saudis. After all this, there are other aspects in this interview which are of extreme importance concerning labor in general and soft labor in particular, Saudi women's right to work and the opportunities available to them, and training plans and preparations to replace foreigners with Saudis. However, none of this summary will enable one to go without reading this enjoyable conversation with Shaykh Hisham Nazir, in this stage specifically. Let us, then, read the interview on these pages.

AL-YAMAMAH: We would like to confess to His Excellency Shaykh Nisham Nazir, at the beginning of the conversation, that we have not prepared any specific questions for this meeting, because we had been hoping for an open conversation which would contain as much truth as outflow of information. This conversation, to which we are devoting these pages of "The Issue of the Week," revolves, as we have always been accustomed to have it revolve, around a specific issue. The issue here this week is "the future of the plan in the light of recent economic changes, following the drop in oil prices and the volume of production." No doubt some of the great "uproar" that has been raised in recent days has reached you. Many people domestically and abroad have talked about changes in the development plan in the kingdom and the suspension of major projects. In fact, some people are talking, in a whisper or perhaps in a loud voice, about workers' salaries being reduced, and the numbers of contractors diminishing, and the fact that this all is the normal result of what has happened in the oil market in the recent stage. Where is the truth in all of this? Will the third development plan, or what is left of it, or even the fourth plan, be affected by the drop in oil production and the drop in oil prices?

Nazir: We cannot know the effect that the most recent conditions in the oil market will have on us and on the development plans in general unless we measure that against the goal we wanted to achieve, essentially.

That is the prime criterion by which the degree of change must be measured: what are we trying to achieve?

First, in the first and second development plans, investment was concentrated on the construction of basic facilities, because the attainment of the ambitious economic and social takeoff which we had aimed at could not be realized without these facilities. Most of these facilities have been constructed.

Second, with the beginning of the third plan and the completion of many basic facilities, the plan shifted its investment focus to production, industry, agriculture and mining, in order to diversify the economic base in the country. This means that investment in facilities will drop from about 80 percent to about 48 percent in the third plan — that is, it will be possible to postpone many construction projects without infringing on the strategy of the plan.

Third, the third plan also put a ceiling on spending, because it aimed at keeping the annual rate of inflation below 10 percent and at keeping the level of foreign labor at the level it was at at the end of the second plan, without any increases, while creating a form of substitution of construction and production workers. If these two goals, or part of each of them, are achieved, as a result of the reduction in spending, that will be commendable, indeed will be one of the basic goals of the plan.

#### A Rise in Growth from 6 to 11 Percent

AL-YAMAMAH: What do these facts mean in actual practice?

Nazir: They mean that the average annual growth rate in the non-petroleum sector, which we set at 6.2 percent in the plan, was from the outset based on reduced spending, specifically in construction activities.



AL-YAMAMAH: How much of this percentage has been realized?

Nazir: In the first year we grew at a rate of 11 percent, and in the second year the growth was 10 percent. This means that in 2 years we realized a growth rate that was close to double what had originally been planned.

At this point, we come to the answer to the basic question: what will happen to development in the event oil prices drop? The answer is, in the limits of the targets the plan originally aimed at, nothing, because as I said the plan did not aim at an average rate of growth of more than 6.2 percent per year, and the anticipated spending will reach this level.

AL-YAMAMAH: Are there any practical examples of this?

Nazir: In the construction sector, for instance, we planned for a growth rate of minus 2.5 percent, that is, a drop, because the focal areas became saturated with facilities and all that remains is to hook these facilities up to other areas. What happened in the first year is that we grew by more than 10 percent in the construction sector, and the same was the case in the second year. That is, we added construction projects which could have been carried out in the fourth and fifth plans or later.

If we had committed ourselves to the targeted strategic plan, which was to reduce construction activities, the recent events in the oil market would not have had any of the effects people might have supposed.

AL-YAMAMAH: Does that mean that there will not be any effects?

Nazir: If the construction activities keep on at the present rate, there will of course be an effect. However, if we return to the limits of the strategy set out in the plan, nothing will happen, because, within the limits of this plan, we will be able to subtract the 30 percent of the budget that we disbursed last year and no disruption will occur in the targeted growth rate over the 5-year period.

AL-YAMAMAH: We are talking in the simple language of the public, and are also raising the public's questions. The imagination of ordinary people works in this manner: the reduction in production and prices means that money has been lost. Was the loss of this money included in your plan, and, if it was not, where would it have gone?

Nazir: Nothing has been lost. The oil that has not been produced and has not been sold exists underground, and the fact that it is there has kept us from selling it at a low price. The question we must ask is to determine the goal in spending. If there is a goal in spending, it is to spend in the proper place; otherwise, spending will only be a result of our ability to sell crude oil in the world markets at large volumes. Another thing we must realize is that a strong people is able to adjust itself to the fluctuations that confront it and test its mettle. We know that the oil market will not remain in any single condition, and this is what we have always meant when we talked, since the first plan, about reducing reliance on the sale of crude oil as a single source of income.



AL-YAMAMAH: It is nice that the general trend should have shifted from construction to production, but people might also ask whether we will be spending as much on production as we did on construction, and where the difference will go, if there is one.

#### The Kingdom's Income Is Greater Than Its Expenses

Nazir: Spending on production will be much less than past spending on construction. Most of that will take the form of loans which are recouped because production has a material return. As regards that part of the question which concerned the difference between income and expenditures, in the event revenues are greater than what the budget requires, the difference will be transferred to the general reserve, in accordance with the budget decree.

AL-YAMAMAH: On what basis was the rate of 6.2 percent as an annual rate of growth for the kingdom determined?

Nazir: On a scientific basis that was subjected to many considerations. We set spending relative to the plan as a whole, because strategy indicated that the rate of inflation and the volume of foreign labor be determined. We then set spending with respect to each sector. After that, we calculated the rate of growth that would arise from these calculations, and that was this rate. This little figure is the result of years of concentrated effort in each field. Suffice it to realize that the fourth development plan, which will start 2 years from now, is now being prepared and studied.

#### What Will Be Postponed Are Projects Surplus to the Plan

AL-YAMAMAH: Your excellency says that if we proceed on the bases that have been set out for the plan, they will not be affected by what has happened in the oil market. How then can we explain the statement some people, including officials, have made that some projects will be cancelled and the period for executing others will be doubled?

Nazir: These projects are not in the plan; rather, they are projects that are surplus to the plan. They are being constructed ahead of schedule in order to respond as much as possible to the citizens' needs, and this is really happening out of a sincere desire to raise the standard of living of the Saudi citizen. Therefore, we must realize that these projects exist in the budget of the entities performing the execution, not in the plan that was set out in advance.

#### 200 Billion Riyals in the New Budget for the Plan

AL-YAMAMAH: Does the drop in oil prices have anything to do with these projects, which will be subjected to a sort of slowdown, even if they were outside the plan?

Nazir: Some of them will be affected, of course, because the income will be sufficient to carry out the projects we planned for this period, but not for projects that must be carried out in subsequent periods. For example, the

amount it had been expected would be set aside in the budget for the fourth year of the plan (that is, the new fiscal year) was about 200 billion riyals, while last year's budget was about 314 billion riyals. Where is this difference? Where did it come from? It represents the difference between the projects that have been set out in the plan and the additions that were made to it later. Therefore, when we tell the ordinary citizen that the drop in the prices and quantities of oil will not affect projects, we mean the projects which were basically spelled out in the plan and for the current stage.

What I mean precisely is that the plan, and its projects, will not be affected, and development will not be affected. If there is any effect, that will apply to those projects which have been added to the plan and which it had been determined would be carried out in the fourth and fifth plans and later.

#### 7 Million Citizens Now Enjoy Electricity

AL-YAMAMAH: The plan talks about the completion of basic services in the kingdom at some stage. Nonetheless, here you are saying that we have completed the stage of basic facilities and that our plans must shift to production. How can that be said, or be the case, while half the population of the kingdom, say, has not yet received electricity?

Nazir: That is not true. Electricity has reached more than 7 million citizens in the kingdom now, out of a total population that comes to 8 million. Moreover, we did not say that the basic facilities have been altogether completed. Rather, we say that the rates of investment in them must not be as massive as they were in the first and second plans.

AL-YAMAMAH: That means, then, that we will complete them now?

Nazir: Totally. I can give you some quick examples. We have managed over a period of 15 years to pave 30,000 kilometers of roads. We now have a complete system of these roads. In the whole city of Riyadh there used to be 15,000 phone numbers; in the course of a few years the kingdom has become covered with 1 million phone numbers. Desalinated water from the coast has been piped to inland cities in the kingdom. What does all this mean? It means that the infrastructure has actually been built and that all that is required in the coming stage is to complete all this and bring it to the areas and villages that it has not yet reached, at rates which might not be more than 10 percent a year over the level that actually exists now.

AL-YAMAMAH: The whole south lacks electricity.

Nazir: Not at all. The south electricity project is now being carried out, in any event, and electricity has actually reached many villages in the south. In 2 years the project will be completed as planned.

#### 10 Percent for Management, Maintenance and Operation

AL-YAMAMAH: If we agree that the basic facilities have been completed, or nearly so, that means that we are aiming at a new stage, the stage of management, maintenance, operation, replacement and the preparation of Saudi personnel to

do all this. This stage might not be less difficult, or its execution time less than that of the construction stage. Have the necessary amounts been allocated for all this? Has the factor of time been taken into account?

Nazir: At this point we get to the gist of the issue of the transformation that you talked about - I mean the transformation from construction to production. What you are talking about was taken into consideration because the third chapter in the budget is the operating and maintenance chapter. It is well known that the ratio of spending on management, maintenance and operation is not at all comparable with the spending on the facilities themselves. This ratio generally ranges from 10 to 30 percent of project expenditures. In al-Jubayl and Yanbu' it comes to 10 percent, and I believe that that can be lowered.

Above and beyond the fact that investment in management and operations is materially lower, it will be broken down over many years, because it is spent basically on preparing the Saudi personnel through whom it will be possible to dispense with foreigners — not Arabs — whose costs come to three or four times the cost of the Saudis themselves.

Do Not Be Unfair to the Saudi Citizen: He Works

AL-YAMAMAH: This coming stage of production will basically lie on the shoulders of the Saudi citizen. Have the development plans prepared this citizen indeed to be an instrument of production?

Nazir: I reject the general statements that are made about the Saudi citizen. Therefore, I reject the statements made about him, to the effect that he does not want to work, is spoiled, lives an easy life and disdains modest occupations. There may be individual cases where this statement is valid, but the fact is that there is no scientific proof that confirms this unfair verdict on the Saudi citizen. The scientific and technical preparation of people takes a long time, and training these people after they have been educated to be productive takes a long time also, because the school of work is the real crucible in which the talents of people are forged.

AL-YAMAMAH: That statement is true, but do you have examples that you can cite in this regard?

Nazir: Yes, go to the war factories in al-Kharj and look at the manpower that is employed there. Most of them are Saudis.

Also note the proportion of the Saudis working in Saudia airlines, following the great expansion that it has witnessed. Large numbers of its pilots are people from this country.

Go to the Sabic company and study the volume of local labor that has been and is being trained to manage the productive factories that have been built. Fifty-six percent of the volume of the technical labor that is present in this company is Saudi. Where did they all come from? This all means that to state that Saudis do not work is not true. The correct statement is that it takes time to train Saudis and people to discover them.

This phase of training and education is an important one. We must go through it because one cannot jump over it or pass beyond it.

#### Laxity and Evasion

AL-YAMAMAH: This is fine testimony to the Saudi people, since you are proving that they are a working people. Nonetheless, they have been accused, on the job at least, of two basic things — laxity on the job and a tendency to evade service in the government and the public sector. We in AL-YAMAMAH have published some investigations that contained terrifying figures on these employees. How can this nice testimony you are making about the Saudi citizen be made to conform to what actual reality shows?

Nazir: Saudi people are human beings. In terms of the first charge, that of laxity, that has to be taken into account without a doubt. It is connected to managerial decisiveness, to putting a system of rewards and penalties into practice, and to the law of personal interest which relies on pleasure and pain to attain human needs. This laxity on the job is a negative sign and undoubtedly affects production, especially when it happens in the area of services. However, laxity is not Saudi in origin — it is a "bureaucratic ailment" and can take place anywhere if the environment is favorable for it. It can also be eliminated.

Evasion of work is to be credited to the Saudi citizen more than he is to be faulted for it. I have a figure which states that the people who have left the government in the recent period came to 70,000 just 17,000 of whom retired officially. That is, there are 53,000 who left the government for productive work on the outside. That work must have offered them a better income than the salary from the government job. In my opinion this is a healthy phenomenon and I do not believe that the government system's positions have been affected by the departure of this number of people.

It is more feasible for technicians, specifically, upon graduation to work in the private sector first of all, because there they will acquire experience, while, in government service, each of them assumes the character of a manager. After they have actually learned at the work and production sites and each of them has spend 10 or 15 years in his position, he can then go to the government, occupy a sensitive position and compete with the foreign technicians, or oversee their activities.

What this all means is that the people who have left the government to work outside it have been useful and have benefitted. This phenomenon means that people no longer concentrate on the public sector or government employment as a sole source of livelihood, as some people use to think that oil is the sole source of income.

After all this, what is to prevent the kingdom from making a comprehensive evaluation by which it will review the level of competence of all the technical and administrative personnel it has, so that it can rid itself of all the excess and the flaws that it has become subject to as one of the manifestations of increased income? This process might reflect an administrative awareness that we must possess in evaluating the performance of everyone in this country.



AL-YAMAMAH: Although your excellency has said that the plan has proceeded from the stage of construction to that of production, which means a drop in foreign labor, it has been observed that the labor is still increasing. How can we explain this?

Nazir: Since the construction activities are still going on, and we in the plan demand that the growth of construction drop by 2.5 percent a year, in spite of that what has happened has been a 10 percent increase in construction activities, which perforce has entailed an increase in labor. That is, if we carry out the plan as it has been set out, the labor will of necessity be reduced.

Women, Women

AL-YAMAMAH: The important thing is that foreign labor of all types is constantly increasing, at a time when Saudi women, many of whom are university graduates, are suffering from unemployment. What is the development plan's conception on getting Saudi women to take part in construction activities within the limits of Islamic law, in a manner which will greatly reduce this foreign labor?

Nazir: Before we discuss the issue of women, let me present you with a number of indicators which bear on the circumstances of labor and work in the kingdom.

First of all, in the countryside and desert we have a workforce which is equal to 24 percent of the total Saudi labor in the kingdom. In spite of that, this tremendous force contributes only a minor amount, 2.5 percent, to total production. This means that this human force will have to be educated and trained so that it can produce an amount that is in keeping with its number and real magnitude, especially since those who live in the rural and desert areas are the truly genuine Saudi inhabitants of the kingdom, and everything is being done for their sake.

Second, 60 percent of the foreign labor that is present is related to the stage of the basic facilities. The completion of these facilities will mean that it will be possible to dispense with this labor, or a large portion of it. Therefore, reducing labor by reducing construction activities by the rate of 2.5 percent per annum is considered one of the strategic goals of the plan.

Third, the kingdom is applying the most modern technical methods of agricultural and industrial mechanization, because the whole workforce that we will need in the tremendous al-Jubayl and Yanbu' projects will not exceed 6,500 workers. We will be compensating for the human shortage with mechanical superiority, and proof of that is that the same iron and steel plant which is operating here with 1,000 workers operates with about 20,000 in India or Egypt!

Thus there is unemployed labor in the desert and rural areas, there is labor whose mission will be completed, and there is mechanization which will reduce reliance on the numbers of people as far as possible.

In the light of these factors, we must discuss the issue of women's work in the kingdom.



No one in this country is debating women's right to work, within the limits of Islamic law, which protects women from intermixing.

What is required, therefore, is to create the kind of labor that will give women their lawful right to work and will preserve their dignity against mixing with men.

Who said, sir, that Saudi women have no work? Don't we need them in the home first of all, and I do not mean cooking and housecleaning, but education? Mothers in my opinion are more important than schools.

A large part of the male labor in production areas can be explained by the fact that women are playing their part in providing more appropriate circumstances for men's work.

AL-YAMAMAH: I am afraid that that might be emotional talk whose aim is to placate women by stating that they are performing their duty by managing the home and raising children. However, the fact is that there are thousands of young girls who do not yet bear these family responsibilities, who have not yet entered into the marital nest, and cannot find areas of work on which they can focus their idle capabilities.

Nazir: The matter, sir, is not just connected to the type and field of work or the prohibition of mixing. There are many problems that surround such work. We for example are self-sufficient, or close to it, in women's labor in teaching in the main cities. At the same time we need large numbers of women to work in these areas in the villages. However, will a young girl be willing to work far away from her home and family? How can a woman's social problems be resolved if she agrees to work in the rural areas, for instance? The nature of our society does not allow women to move around, even though there is need for them.

AL-YAMAMAH: However, they can work in the cities where they live, in other areas besides teaching, for instance.

Nazir: That is possible, if the conditions of Islamic law are applied.

AL-YAMAMAH: From this, we can understand that serious thought is being given to creating new channels that can absorb the capabilities and resources of Saudi women.

Nazir: Yes, and I can add that we are entertaining the illusion that there is a labor problem as far as women are concerned. That is not true. We have thousands of government jobs now that are occupied by non-Saudi women. If we had that many Saudi women, we would not have needed all these foreign women in these jobs. We are inflating the problem beyond its real magnitude.

#### Job Opportunities for Saudi Women

AL-YAMAMAH: We are not inflating the problem, because statistics show that just 30,000 Saudi women are working, and if we assume that the population of

the kingdom is 8 million, half of whom are women, that means that there are 4 million women, of whom indeed only these few thousands are working, or a ratio of less than 1 in a thousand.

Nazir: Isn't it also true that we have about 4 million men and nonetheless we have more than 2 million foreign laborers? Thus the main problem we have is not female labor but male labor — that is, we must train and educate men to take the place of foreigners, first of all, because I pointed out to you that about 24 percent of the Saudi labor force is in the desert area but it contributes only 2.5 percent of the production. This also means that if we open the door to work wide open to women, we will not find either the requisite type or numbers.

AL-YAMAMAH: However, there is another side to the issue. There are for instance three universities in the kingdom that have been graduating qualified young women in the departments of economics, administration and accounting for 4 years. Of these, persons who are employed by the office of the chairman do not exceed 5 percent. How can we reconcile university ability on the one hand and planning activities on the other?

Nazir: What we must emphasize is the amendment of curricula and teaching programs so that these will respond to the needs of development, on the one hand. On the other, we must seek to graduate a greater number of women in villages and remote desert areas to work in the areas where they themselves live, in the facilities that need them.

It Is Necessary To Stop "Soft Labor" at Once

AL-YAMAMAH: You talk about the need for retrenchment in foreign labor, since the emphasis of the plan has shifted from construction to production. However, it is to be noted that at a time when we are seeking to put pressure on this labor, the percentage of what is called "soft labor," by which we mean labor in the home, in the form of male and female servants, drivers, governesses and seamstresses, is constantly increasing. What is your evaluation of this sort of labor as well?

Nazir: Thus labor is a burden on development by every standard. It is a manifestation of behavior that is connected to the citizen's conduct and it needs a certain form of guidance, orientation and awareness on one hand, and the adoption of bold decisions to stop the importation of this labor on the other.

AL-YAMAMAH: However, some people might attribute the increase in this soft labor to the lack of sufficient family services, such as nurseries and old folks' homes, the refusal to allow women to drive, the absence of taxis on call or rapid transit services, and so forth. What is your excellency's view on this statement?

Nazir: You give me the impression, through this question, that "soft labor" is connected to the needs of Saudi working women who lack these services, because

Saudi women who manage their homes for example do not need nurseries for their children, whereas a little while ago you were complaining that there were few Saudi working women. The majority of servants do not have anything to do with serving "Saudi working women" — they are imported for homes whose prosperity almighty glorious God has made great, and which have enlarged upon the rental of services.

We are not saying that this sort of service is absolutely unnecessary, but we do say that enlarging upon it is harmful and costly. It is possible to find solutions to what you referred to in the question without having to import servants, as far as transportation and other things are concerned.

#### We Do Not Depend on Oil Only

AL-YAMAMAH: Let us return to the talk about production. Figures state that oil accounts for 46 percent of national income, while the non-petroleum sector accounts for 54 percent. How do you view the breakdown of the percentages by various sectors?

Nazir: We are pursuing a policy that is based on the reduction of our dependence on oil, at a time when we are diversifying the base of production in agriculture, industry and mining. By mining here I do not mean investment in new discoveries — I mean investments in actual production.

This diversification will affect the relative contributions of oil, and other materials besides oil, to domestic product, but I must be frank with you: this rate will continue to be low for many years to come, and oil will to a large degree continue to dominate and be determinant as far as our income is concerned.

AL-YAMAMAH: If we are not to rely only on oil as a source of income, has the plan succeeded in staying on top of the issue of finding actual alternatives to oil, so that we will be spared obstructions to the course of development in the event any disturbances in the oil economy occur?

Nazir: There will not be, in the short term or perhaps even in the long term, any total substitution of oil by some other element. Therefore, in my mind, oil will continue to constitute a large portion of the kingdom's income, although, as a result of the policy of development in the kingdom, we have managed to achieve the effects that could be produced if any problems of disruption occur with regard to oil sales.

There is no doubt that the existence of a backup industry or industries that could be relied on for income, besides crude oil sales, is more than important, even if these backup industries basically depend on crude oil, where there are refined oil products, petrochemicals, and certain products that are dependent on these petrochemicals themselves. This could all certainly constitute an economic situation that would be better than mere reliance on the sale of crude oil.

AL-YAMAMAH: The strange thing is that the oil consuming countries have been more concerned with energy alternatives than the producing countries have. Why? Moreover, why hasn't research on solar energy in the kingdom made progress, especially since it enjoys unique advantages in this area?

Nazir: The consuming countries' interest in energy alternatives is natural, because they import the energy first of all, and then, secondly, it has become expensive for them. It is obvious that it is not in the interests of the producing countries, in the short term, to find alternatives to oil, especially those countries that have minor reserves and are anxious to sell them as quickly as possible and at the highest price.

Here, in the kingdom, we are planning in the long range for the use of energy alternatives, because we are concerned first of all that oil not just be a material for fuel, because that would entail the waste of it — we also want to turn it into a material for industry, that is, to have it used as feedstock.

As for solar energy, research into that is going on in the College of Petroleum and Minerals, above and beyond the studies that are being carried out by the Saudi Center of Science and Technology. There are in fact agreements with the American government in this respect.

AL-YAMAMAH: What is the outlook for the future as far as this form of energy goes?

Nazir: We enjoy a good situation in this area in view of the vast spaces in the kingdom on the one hand and its bright sun on the other. However, we must not be excessively optimistic, because this research is still beginning, and on top of that is very expensive: to store solar energy, it takes massive amounts of land on which to erect solar dishes, not to mention the ground stations that use them. For this reason, for instance, some countries started to have second thoughts on the research involved with this area when they found that these facilities were being set up at the expense of agricultural land; that meant that the energy was being produced at the expense of food itself.

#### The Factory Is the Real Training Center

AL-YAMAMAH: What about vocational training? We need technical staffs which only these institutes and centers can provide. In spite of that, the Saudi citizen still views the university as his final goal, on grounds that it is part of the social worth of the individual. Has the plan done anything for technical education? What has it done?

Nazir: First, I must tell you, from my personal viewpoint, that the real training center is the factory. When the industrial revolution took place in Europe, there were no vocational training institutes. At that time people were trained on the job. Therefore I believe that training in the factory has perhaps been more important than vocational centers; I hope that one will not get the impression from this that I am belittling these centers or disparaging their worth.



Second, in the second and third plans both we have been anxious to distribute secondary level graduates among universities and vocational training centers. However, I feel that the reading of this part of the plan has been ignored. Our goal in this distribution is to achieve what we are basically aiming at, which is to prepare trained Saudi labor that is able to fill this gap.

However, numerous factors have intervened to help obstruct this goal. Among them are social pressures, whose source is the erroneous belief that the worth of a person in the society is equal to the worth of the diploma he possesses, so that families can no longer tolerate anything but university education for all children.

AL-YAMAMAH: What about the solution?

Nazir: We have worked to eliminate all the obstacles that might stand in the way of people who apply for admission to these institutes. For instance we have proceeded to open institutes in centers close to the villages, whereas they used to be concentrated in the major cities, such as Riyadh, Jiddah and al-Dammam. This notion has been a splendid success because it has attracted large numbers of inhabitants in these areas. They have been centers for the dissemination of civilization by every standard, because the number of people applying to them is in excess of the stipulated admission rates. In al-Jubayl and Yanbu' for instance we are suffering from the problem of pressure on these institutes.

AL-YAMAMAH: It is a matter of awareness.

Nazir: It is economic matter too. Students have discovered that vocational education can provide them with an income that is several times what a university diploma would offer them. There are very many job areas which are aggressively seeking these graduates, from the Ministry of Defense and to the war factories. Graduates go to work as soon as they graduate. This is splendid. This all means that the picture has changed or that it is in the process of changing. We have benefitted from the experiences of past years. We have created incentives, have eliminated obstacles and have helped create a state of awareness of these institutes in the villages, in order to publicize the excellent employment future and the good material incomes that graduates of these centers get. The General Technical Education and Vocational Training Organization is monitoring this whole plan.

Acquisition of Citizenship — for Whom?

AL-YAMAMAH: Connected to the problem of labor as a whole, there remains the fact that we are a massive country whose area is not proportionate to the size of its population, which keeps us in permanent need of foreign labor. There are thousands of Arab brothers who have lived in this country for many years, have learned to like it, and have interests and jobs in it. Why isn't the door to the acquisition of citizenship opened to these people in a serious manner, in a form that will serve the kingdom's need for this labor?

Nazir: A statute on this actually exists.



AL-YAMAMAH: Yes, but strict procedures and difficulties are closing it off. We would like to facilitate the matter.

Nazir: It is not a matter of strict procedures, it is a sort of wariness, or making sure that the persons who are to acquire the citizenship are beneficial and productive, and not a burden.

Also, let us not forget that the holy shrines induce many people to attempt to obtain citizenship, act out of a desire to work but in response to an impassioned affinity which induces these people to try to be close to these places.

In any event, the matter has been raised, but there must be some rules, caution and circumspection.

#### The Fourth Plan

AL-YAMAMAH: You told us that you are now busily engaged in studying and preparing the fourth plan. What are the features of it? What is the basic idea around which this plan revolves? What is its major goal?

Nazir: The kingdom's goals, in all the development plans, are considered long-range and fixed, in the sense that you will find that the general goals of development are the same and have been reiterated, starting with the first and second plans and going through the third and fourth and beyond.

The difference that governs us in attaining these goals is the element of time. Therefore, we achieve a specific goal at every comprehensive planning stage. We have started finishing the basic facilities, and now we are moving on to production.

Production is connected to man more than to any other element, because man is the prime force in the attainment of development, and its prime beneficiary.

Therefore, in the fourth development plan, we will be concentrating on making Saudi man qualified and productive.

We will also be concentrating on the quality of man's life improving the services that are provided for him and raising the level of the environment he lives in.

AL-YAMAMAH: We have talked at length, your excellency the minister, about the positive aspects of the development plan. What are its negative aspects, and could you yourself criticize them for us?

Nazir: Development, like everything, has its negative aspects just as it has its positive ones. We have not praised the plan in this conversation, but we have talked a lot about the negative aspects of development.

We have talked about soft labor in homes, as witnessed by this terrifying number of people who have become a real problem. That is a major negative aspect, and its different forms should be considered a detriment to development. We

have talked about a lack of balance between the needs of development, and our workforce needs over the long run, and the social pressures that contribute to obstructing these occupations. That is a second negative feature.

We talked about increased spending, where it would have been possible to do the same job at lower cost, but the rapid rates at which we have been racing against time have sometimes raised costs. This is a third negative feature.

We talked about our continuing need for productive manpower coming from abroad in great volumes. Here I do not mean the forces that are connected to construction activities, which leave the country when the project is completed; I mean permanent manpower, such as doctors, teachers and the like. You can imagine the degree of our dependence on non-Saudi teachers and their influence on our new generations. This is a fourth negative feature.

We have lost some development, but fairness demands that we state that the positive aspects of development in our country have been far greater than the negative ones. It would be ungrateful for us not to praise God for the bounties we possess: ingratitude spoils bounties.

#### Korean Companies after the Reduction

AL-YAMAMAH: The issue of labor still is preoccupying us in a powerful manner: what type of labor do you imagine will be directly affected by the drop in oil prices?

Nazir: The construction sector will be affected. This statement might distress some people because it is spoken in a technical specialized manner, which might give an impression different from the real way in which it should be understood.

Construction is growing at a rate of 10 percent; with the beginning of the budget this rate will drop a great deal. Therefore the Korean companies will be affected more than others. That is, the effect will be felt in the construction sector, in which the foreign companies are working, in the first place.

AL-YAMAMAH: Will the ordinary Saudi citizen be affected socially or economically?

Nazir: The Saudi citizen will not be affected in any way, and his services will not be reduced; however, what is required of the citizen is that he guide his consumption and that he take account of demands that he might not have expected in the coming stage.

AL-YAMAMAH: Meaning?

Nazir: Meaning that when we set out the third plan we made allowances for services for the Saudi citizen within the limits of the spending levels set out in the plan. However, the circumstances of this stage demand that one be cautious. In the past we went through circumstances with which the current stage of the market is not comparable, in their severity and we overcame them, by the grace of God.

Will the Oil Price Drop Further?

AL-YAMAMAH: What is your opinion on the statements circulating about an anticipated collapse in oil prices, whether the price will reach \$20 a barrel? Will the price really drop, especially with the activities of exploring for alternatives?

Nazir: Oil prices dropped for well known reasons, among them the drop in consumption because of the rise in prices in the first place, then the recession in the West. As these reasons disappear, the price will remain stable, or even rise.

As for alternatives to oil, the search for them is stimulated when the price rises. Furthermore, a drop in prices from their current level will make the per barrel price for new wells lower than the costs of producing from them which will result in the shutdown of production in 300,000 wells throughout the world.

In general, the drop in oil prices in the manner you mentioned will drive all alternative sources from the market, and, when they are driven out, consumption will be restored, the rate will rise and prices will become balanced.

AL-YAMAMAH: What will be the shape of labor in the fourth plan?

Nazir: I stated that 60 percent of the foreign labor is concentrated in the construction field. The reduction of investment in this sector will lead to a large drop in the labor in the field. There remain the 20 percent in maintenance and the 20 percent in technical and administrative activities. We will seek to find Saudi alternatives to these numbers, which total 40 percent, through the training centers and increased educational capacity, with the objective of preparing domestic technical labor to replace the foreign labor, as well as using the domestic labor that is actually on the job.

The determination of proportions and periods will depend on our success in properly carrying out these training and preparation programs.

AL-YAMAMAH: The Saudi citizen continues to be prosperous, in view of the services the government offers him. Why don't we seek out some tax system to which this citizen can contribute, in bearing the responsibilities of construction, especially since countries that are richer than ours collect escalating taxes on individuals in their personal capacity on the one hand and from legal persons such as companies on the other?

Nazir: There is indeed a tax system in the kingdom. It is applied to individuals through the tithe, and it is applied to local companies. The income tax system is applied to foreign companies.

AL-YAMAMAH: Excuse me — except for the tithe, are taxes of any kind applied to the Saudi citizen?

Nazir: There is nothing of that sort at the present time, but there are income taxes on foreign individuals and companies. We must realize that taxes have an economic rationale. Taxes that foreign countries collect they collect from societies that have been engaged in production for long periods, and their goal is to create a source of income with which to establish their projects or orient the economy in a clear direction. However, we achieve this through the income that is provided to us by the oil company, and most of that in fact is an income tax.

AL-YAMAMAH: How is that?

Nazir: If you read the budget you will find what is called the profit element in it. That is the intrinsic value of the oil produced as a commodity. However, the main portion of our oil income after that in itself arises from the income tax element, which is imposed on the producing companies from the profits they realize.

In any event, that point does not affect the Saudi citizen; he is not influenced by it in any way, because it is a theoretical matter that is applied to legal persons.

AL-YAMAMAH: However, doesn't your excellency believe that it would be possible someday to create a tax system?

Nazir: Yes, that is possible, there is nothing to prevent it, but that depends on what goal we have in imposing this tax.

AL-YAMAMAH: How is that?

Nazir: Tax is used as an instrument for guiding the economy, as I said. It might happen that you might impose some tax, not because of your need for income but in order to orient the economy in a specific direction, to prevent investment in a given sector or to protect a domestic industry. We for example are now offering factories tax exemptions once they start producing. In some cases, this exemption will go on for 10 full years. The obvious goal here is to encourage citizens to invest in industry. If the goal in taxes, as I explained, is to guide the economy along a specific course, the answer is, yes.

Except for that, there is no compelling need to impose taxes.

AL-YAMAMAH: By this question, it is our intention to make the citizen feel the value of the services provided to him by participating in them through taxes.

Nazir: That is not a tax then rather, it is a "levy" that involves the citizen in paying the cost of the services provided for him, since that will prompt him to be interested in these services, protect them and maintain them from damage. Such levies now exist, although they are low.



## Training of Saudis

AL-YAMAMAH: There are large companies managing important facilities in the kingdom. Agreement has been reached with these companies to train competent Saudis with the goal of substituting them for foreign experts. However, it seems that the agreements have never been carried out and that they have been a failure in application, first of all because the foreign companies want to keep the secrets of the business for themselves, then they want to stay in the kingdom for the longest period of time, second of all, and then, thirdly, it is not in their present or future interest to train Saudis to take the place of foreigners. Many examples could be cited in this regard, but we will content ourselves with the experience of Saudi Telephone. What is your excellency's opinion on this matter?

Nazir: This is an important question, because it puts our hands on a sensitive point whose failure has been proved. Therefore, we in the Royal Commission have abrogated the training sections in the companies' contracts, because we simply discovered that the companies will not train Saudis to take the place of the people they have trained so that their contracts will be abrogated and they will join the ranks of the unemployed in their own countries.

That is the first thing. Second, a specific responsibility in the contract lies on these companies. The execution of this responsibility requires a high degree of technical competence. The companies will have confidence in assigning this degree of responsibility only to the company men in whom they feel secure. How can a company gamble on training a young Saudi and assigning work to him if he is not trained, while it alone is responsible for the results?

AL-YAMAMAH: What is the solution?

Nazir: For us to establish training agencies and programs which we ourselves design and put into operation, and to have these agencies realize that they will not be subject to replacement in the near future. This sort of agency could be the crucible from which we can produce all the programs for the personnel we need.

AL-YAMAMAH: Have there been any practical experiments in this regard?

Nazir: In al-Jubayl and Yanbu' — I apologize for using them as examples so much — we have trained young Saudis and fully prepared them to be scientifically and practically qualified to do the same work that foreigners do in firms like Bechtel or Parsons, and we then move these fully trained young people into the company, so that they can immediately be appointed to replace other non-Saudis. In my mind, this is the only method of training, in order to make a success of the preparation and replacement plans. We have started carrying this plan out this year, and we expect that it will be a success, God willing.

In general, there is great government emphasis on this matter of training, because people who are qualified in coursework are not enough; it is not possible to do without practical training.



AL-YAMAMAH: Doesn't this notion of vocational training clash with specific residual tribal attitudes which still exist in our society, especially since you have said that there is a new stage which has the goal of implanting technical training centers in the villages and desert areas?

Nazir: Perhaps there are residual attitudes from the past which arose in limited, narrow societies that made the pursuit of specific occupations a shameful thing. However, this is all changing now; where else did the good labor that Aramco has come from? The basic source of this labor is the tribe, and there they are the best and most qualified workers.

Work anneals man and reconstitutes him. Therefore, we must not give in to a group of old generalizations that have misrepresented and are misrepresenting the Saudi people.

11887

CSO: 4404/320

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

YSP CENTRAL COMMITTEE SESSION--The Central Committee began the first meeting of its ninth periodic session this morning under chairmanship of Brother 'Ali Nasir Muhammad, general secretary of the YSP Central Committee, chairman of the Presidium of the Supreme People's Council and chairman of the Council of Ministers. The meeting discussed a report submitted by the Political Bureau dealing with the political developments in the Arab and international arena and our foreign political moves during the past period in light of these developments. The Central Committee affirmed the necessity of continuing the PDRY efforts to promote the cooperation and coordination among Arab national and progressive regimes and forces and strengthening solidarity with the Arab Palestinian people in their struggle for return to their homeland, self-determination and establishment of their state under the leadership of the PLO. The Central Committee reaffirmed its full solidarity with fraternal Syria in resisting the hostile intentions of the Zionist enemy--with the support of the United States--to strike at its national sovereignty and open doors to impose the conspiratorial Reagan plan--which is regarded as a continuation of the Camp David accords--and other capitulatory plans rejected by our Arab peoples. The Central Committee will continue its periodic session tonight to discuss the remaining issues on the agenda. [Text] [GF021353 Aden Domestic Service in Arabic 1230 GMT 2 May 83]

CSO: 4400/309

REPORTAGE ON ERSHAD SPEECH AT SHILPAKALA ACADEMY

Corruption, Student Unrest

Dhaka THE BANGLADESH OBSERVER in English 14 Mar 83 pp 1, 12

[Text] Chief Martial Law Administrator Lt. Gen. H.M. Ershad on Sunday stressed the need for maintaining stability with a view to implementing the administrative reorganisation plan. He called upon the Government officials to change their outlook and discharge their responsibilities with a sense of dedication and honesty to build a better future for the country.

Inaugurating the four-day training programme of Thans Nirbahi Officers (TNO) at Shilpakala Academy the CMLA said that the new administration reorganisation programme with thana as its centre would ensure decentralisation of power and improve the economic condition of rural Bangladesh.

"Under no circumstances this programme should be allowed to fail" he warned the Government officers.

The CMLA asked the TNOs to work with dedication patriotism honesty and sincerity to turn the upgraded thanas into self-reliant economic units. "You are the hopes and aspirations of the people" he told the TNOs and added that the thana officers must come up to the expectation of the people. He asked the TNOs to rise above self-interest and serve rural people. He expressed his awareness about the difficulties of thana officers at the initial stage and assured of removing those in phases.

Reminding the Government officers of their responsibilities the CMLA said that corruption and failure of duty would not be tolerated by the people. He asked all Government officers to sink their petty differences and devote fully to the service of the people. "It is not your duty to see who is in the government but to carry out the order of the government that rules the country" he advised the officers.

The CMLA asked the police to maintain law and order in the country. He said that he had reports about corruption and negligence to duty by police. He said that peace and stability were essential to develop the country. He sought cooperation from all in weeding out corruption from every sphere of our national life. He said that as the head of Government he was to share blame for corruption and failure of Government servants.

Referring to different policies of his government the CMLA said that unless we could remove corruption, utilise our resources properly, increase our production in fields and factories, and arrest the baby boom it would be very difficult for us to exist as a nation. He regretted that in the past it was said "what Bengal thinks today India thinks tomorrow" but today when the rest of the world was developing fast we had to live on aid.

The CMLA who returned home on Saturday after attending the Seventh Non-aligned Summit in New Delhi said that during his visit there many world leaders expressed their interest about the new administrative reorganisation programme. He said that the leaders of those countries who help us during our War of Liberation wished the success of the programme and wanted to see Bangladesh as a self-reliant country.

Turning to student unrest the CMLA said that the problems of the students were not a political issue. Those are social problems. He said that he never blamed the students but the existing social system where students were growing frustrated. He said that students raised slogans because they believed in those and they wanted to see the welfare of the people and development of the country. He observed that the politicians were trying to take advantage of the student unrest. "I don't blame them as they want to go to power, but to rule the country is not a very easy task," he reminded the politicians.

The CMLA believed that the new administrative system could reach the fruits of the liberation to every doorstep if the Government officers work with dedication and sincerity.

The CMLA said that if the lots of the common men could not be improved through the new administrative system "revolution would be inevitable and people would revolt against the administration." He said, all national efforts should be concentrated to bridge the gap between the rich and the poor. He warned the officers that unless this gap could be reduced they would be washed away by the surge of people's revolution. He reminded all "what I am doing today is not for me but for the country and the future generation."

The inaugural session of the training programme of the Thana Nirbahi Officers was conducted by Cabinet Secretary and it was attended by Secretaries of different Ministries and other high level civil officials.

#### Rural People's Deprivation

Dhaka THE NEW NATION in English 14 Mar 83 pp 1, 8

[Text] Lt General H.M. Ershad yesterday said gap between the rich and the poor was widening and warned that if not checked "it might lead to revolt or revolution which might sweep all of us."

Inaugurating a four-day training course for the third batch of the thana level officials under the administrative reorganisation programme at the Shilpakala Academy, General Ershad said the gap between the rich and the poor should not be allowed to increase further in the national interest.

He said, the frustration of the rural people was on the increase because of their continuous deprivation from various facilities. While expressing concern over it he said, "some day these people may revolt against us" meaning the urban population.

General Ershad expressed concern over corruption which, he said, has plagued important sphere of the national economy.

"Corruption has not declined, said the CMLA who had declared jihad against this social vice immediately after his assuming power a year ago.

Citing specific examples of corruption in the sectors of agriculture, family planning and education, the CMLA asked the thana level officials to guard this social vice saying that it would have an adverse impact on the national economy.

#### Education

Turning to the education system, Gen. Ershad said it should have to be made befitting to the present day needs and employment oriented. The problems of the students are not political, rather they are social problems, he observed and said we need total transformation of the society to solve all our problems.

Referring to foreign aid, General Ershad said, the donor agency some time offers humiliating conditions for us to accept against its loans. "Bowling down our heads with shame, we have to sign agreement which is dangerous for the country and people," he said.

The CMLA making a plea for total utilization of all domestic resources, the CMLA said "we must stand on our own feet." He called for hard work and dedication by all sections of people to achieve this goal.

General Ershad also reminded the police officials of their due responsibilities and asked them to maintain peace and discipline at any cost in their respective areas and earn good name from the people.

The CMLA made a strong plea to the thana-level officials to take a vow to work hard with a sense of honesty and dedication with a view to improving the lot of the commonman and developing the nation.

He said without economic emancipation which had not been possible to achieve during the last 12 years, the independence of the country is meaningless. Now chance has come and that we should utilize it, he added.

General Ershad said there were many problems--both social and administrative--in the past which stood on the way of uplift and added that now with the administrative reorganisation and its successful implementation it would be possible to achieve economic emancipation.

General Ershad referred to the just concluded Non-aligned summit and said that heads of many friendly nations which came with their helping hands during the



Liberation War showed keen interest to know the present decentralisation scheme in Bangladesh and wished her a speedy progress.

Reminding the thana level officials of their responsibility, the CMLA told them that no government employee is in more significant posts than those of yours. "If you fail, I am sure we have no way to development and that we will not be able to live as a nation."

CSO: 4600/1939

## FURTHER REPORTAGE ON DELHI NONALIGNED SUMMIT

## Text of Summit Message

Bombay THE TIMES OF INDIA in English 13 Mar 83 p 7

[Text]

NEW DELHI, March 12 (UND).  
**T**HE following is the text of the New Delhi message adopted by the non-aligned summit:

"Our world is increasingly turbulent and insecure. International economic relations continue to be characterised by inequality, domination and exploitation. The gravity of the situation is evident in the intensification of the arms race, in the resistance of the strong to the initiatives for change in favour of the weak, in great power involvement in regional conflicts and in the threat of a world-wide nuclear catastrophe.

"Peace and peaceful co-existence, independence, disarmament and development are the central issues of our time. But peace must be based on justice and equality because the intolerable inequality and exploitation established by colonialism and imperialism remain the most important causes of tension, conflict and violence in the world.

"We, the heads of state of government of non-aligned countries, appeal to the great powers to halt the arms race which is consuming, at an ever-increasing rate, the scarce material resources of our planet, destroying the ecological balance and wasting much of our finest scientific talent in sterile and destructive pursuits. These should be used to revitalise and restructure the world economy. The resources released by measures of disarmament should be diverted to promote the development of developing countries.

"The non-aligned countries, speaking for the majority of the world community, want an immediate halt to the drift towards nuclear conflict which threatens not only the well-being of humanity in our times but of future generations as well. The nuclear weapon powers must heed this voice of the people of the world. From all indications, 1983 may be a crucial year for nuclear disarmament. We urge the nuclear weapon powers to adopt urgent and practical measures for the prevention of nuclear

war. They should agree on an international convention prohibiting the use or threat of use of nuclear weapons in any circumstances and stop further production and deployment of nuclear weapons. It is also essential that they observe existing arms limitation agreements seeking to negotiate broader and more effective programmes leading to general and complete disarmament, particularly nuclear disarmament, under international supervision.

"The world economic crisis, which originated in some of the major industrialised countries, has now become truly global in character and scope. In developed countries it has led to economic stagnation and rising unemployment to which they have reacted by adopting protectionist and other inward-looking policies. In developing countries, whose economies are specially vulnerable, it has led to enormous balance of payments deficits, mounting debt burdens and worsening terms of trade due to the steep fall in their commodity prices and to the sharp rise in the price of industrial products which they have to import. All this has brought many of these countries to the brink of disaster.

"Never before have the economic fortunes of the developed and developing nations been so closely linked together. Yet, many rich nations of the world are turning in the midst of this common crisis to the catastrophic bilateralism of the 1920s and 1930s rather than to enlightened multilateralism. They still refuse to recognise that the economic revival of the North is simply not possible without the economic survival of the South. Solutions to these problems must necessarily be global.

"The present crisis has demonstrated the inadequacy of the existing international economic order to deal with the problems of development. A thorough-going restructuring of this order through a process of global negotiations is necessary. All hurdles

must now be overcome so that these negotiations can be launched without delay. Non-aligned countries are committed to strive for the establishment of the new international economic order based on justice and equity.

"Concurrently, immediate measures must be taken to start a process of recovery and to bring the world economy back to the path of sustained growth. The activation and stimulation of the growth process in the developing countries must be a key objective of this endeavour. Immediate measures are needed in several areas. Special emphasis must be placed on enabling developing countries, particularly the least developed countries, to solve their acute balance of payments problems without interrupting their development process. At the same time, satisfaction of their basic needs of food and energy, enhanced access to markets and fair prices for commodities must be ensured.

"Protectionist trends must be reversed and immediate measures to dismantle trade barriers implemented. It is necessary to put an end to unequal exchanges between developed and developing countries. Besides, many developing countries are in a tragic situation because of their inability to meet their debt obligations. This serious problem should be urgently addressed.

"We propose the immediate convening of an international conference on money and finance for development, with universal participation, and a comprehensive restructuring of the international monetary and financial system."

"We are deeply concerned about the tensions and confrontations between the great powers and their disturbing effects on non-aligned countries. We are determined to resist economic and political pressures that might be exerted by any great power against small and vulnerable states.

II. Urgent political issues, such as the pressing need to restore to the brave Palestinian people who are waging a heroic struggle against Israeli forces, their inalienable right to establish a national sovereign state of their own in accordance with UN resolutions; the withdrawal of Israel from Jerusalem, occupied Palestine,

and Arab territories from Lebanon."

The independence of Namibia to be achieved by the speedy implementation of Security Council resolution 435, the need to achieve peace in central America through political negotiations between the parties concerned, as well as the problems in south-east Asia, south-west Asia, the Indian Ocean, the Mediterranean and other areas in the world, call for a sincere effort on the part of all countries of the world to resolve them in accordance with the principles of peace and justice, independence and equality. No less urgent is the common responsibility of all of us to ensure that our fellow human beings everywhere live in dignity and honour. Many wrongs have been perpetrated on the continent of Africa and its long-suffering people. The people of South Africa are bravely struggling against the obnoxious and oppressive system of racism and apartheid. We reaffirm our solidarity with the African people and their noble cause. There are some great powers in a position to help achieve this objective faster and, hopefully, with less suffering all around. We earnestly urge them to do so.

"We on our part, are committed, to pressing these and other critical issues at the 38th session of the United Nations General Assembly. We urge the heads of state or government of all countries of the world to join us there. We stand ready to co-operate with them in finding equitable, fair, speedy and just solutions to these problems. Our destiny is common.

"The crisis which confronts our civilisation today is unprecedented in history. Great tasks call for wise decisions. We appeal to the great powers to give up mistrust, engage in sincere, forward looking negotiations in a spirit of shared good faith to reach agreement on various disarmament measures and to find a way out of the deepening economic crisis which threatens all of us. Unitedly, the members of the non-aligned movement are prepared to do everything in their power to assist in this process. The earth belongs to us all — let us cherish it in peace and true brotherhood, based on the dignity and equality of man."

#### Declaration Summarized

New Delhi PATRIOT in English 12 Mar 83 pp 1, 9

[Text] THE seventh non-aligned summit has categorically rejected imperialist strategic doctrines and denounced attempts to apply economic coercion and blackmail against developing countries to apply political pressures on them.

The political declaration of the conference of 101 heads of state and government rejects "narrow, out-moded doctrines of deterrence, balance of power and

spheres of influence which give rise to tensions and polarisation, subdivision and conflict among nations."

The economic declaration denounces "the use of commercial threats or sanctions and any other form of blockade or measures of coercion or blackmail by developed countries as a means of exerting political pressure as a means to interfere with or influence their sovereign decisions."

The summit leaders have declared that "imperialist and colonialists attitudes and policies still persist in parts of the world: the non-aligned countries are determined to oppose, resist and eliminate them."

The summit concludes on Saturday with a categorical affirmation of the right of all states to exercise their national sovereignty in adopting the economic and social system that they consider most appropriate for the promotion of their development.

The summit declaration lays great emphasis on democratisation of all decision-making procedures and processes in international economic and other relations. This point is stressed repeatedly in the declaration both in the economic and political parts.

Noting that most international institutions--financial, monetary, economic and others--developed at a time when large parts of the world were under colonial rule and a few countries controlled international decision-making bodies and says that "international relations have entered a phase where decision-making on issues of vital concern to all countries of the world can no longer be the prerogative of a small group of countries howsoever powerful they may be.

"The democratisation of international relations", says the document in this context, "is an imperative necessity of our times which will lead to the realisation of the unfettered development and genuine independence of all states".

The declaration reflects the essential spirit of Mrs Indira Gandhi's keynote address in interlinking disarmament, peace and economic development as an integrated strategy for global security and prosperity through total democratisation of all international decision-making processes.

Calling for a halt to and reversal of the nuclear arms race, the declaration makes a fervent plea for peace and extends full support to all popular peace struggles, noting that "only a thorough reshaping of the international order would ensure the realisation of lasting peace, security and prosperity for all peoples of the world."

The summit, which was expected to conclude on Friday night, spilled over to early hours of Saturday with the likelihood of the concluding ceremony being held late in morning due mainly to intense high-level behind-the scene negotiations to break the Iraq-Iran deadlock and the connected issue of selection of the venue of the eighth summit.

Shaping of a few formulations in the economic committee also took longer than expected. These included mainly the exact phrasing of a few sentences in the paragraphs on global negotiations.

The political committee had remitted the question of the venue and Iran-Iraq war to the bureau of the conference with a majority in it favouring Baghdad for holding the next summit but with no clearcut formulation on how to present the views of the leaders on the war itself beyond an appeal for its cessation and a negotiated settlement.

The declaration also reaffirms the condemnation, made by the Foreign Ministers conference in New Delhi two years ago, of the 'hostile attitude' of the US on the subject of the inalienable rights of the Palestinians and unconditional withdrawal from all occupied territories.

The declaration speaks of 'imperialist interference' in the internal affairs of countries in Central America.

The declaration rejects the linkage or parallelism drawn by the US administration between independence in Namibia and the withdrawal of Cuban forces from Angola, and says its continued insistence constitutes an 'unwarranted interference' in the internal affairs of Angola.

The US and the Soviet Union are referred to simultaneously in the call for a dialogue for demilitarisation of the Indian Ocean.

The non-aligned nations have asserted the right of all nations and people, developed and developing, big and small to live in a world free from threat of death in nuclear holocaust, free from inequities and free from economic and political pressure.

The political and economic documents that are expected to emerge from the New Delhi summit have repeatedly stressed an end to super power confrontation, new international economic order in a concept that highlights the genetic bond between peace and development.

The summit calls upon the great powers "to give up the search for power, dominance and supremacy" and resolve their mutual problems through earnest and sincere negotiations.

The declaration stresses the need for non-aligned countries "strengthen the unity and cohesion of the movement" and settle their differences "by peaceful means".

It voices concern over the exploitation of these conflicts by outside powers to the detriment of the solidarity of the movement.

The declaration said the movement reiterates its support for the heroic peoples of Palestine, Namibia and South Africa and all the victims of the aggressive policies and actions of Israel and South Africa. It condemns all forms of racism, including Zionism and apartheid, and the policies of countries which support them.



The heads of State or government welcomed the steps taken to seek negotiated political solutions to conflicts in Central America and in other parts of the world.

It said the non-aligned countries "reaffirm their firm adherence to the purposes and principles of the United Nations charter and fully recognise the need to support and strengthen the world organisation in order to make it an effective instrument for the fulfilment of its central role in the maintenance of international peace and security, in developing and strengthening co-operation among nations, in establishing equitable economic relations between states and in promoting fundamental rights and freedoms in the world".

**SUMMIT PLEDGE:** The summit has called for a renewal of pledge by member states to adhere to their principles of peaceful settlement of disputes.

The political declaration pointed out that in recent years disputes and conflicts among non-aligned countries had been aggravated posing a threat to peace and progress of their peoples and to cohesion and solidarity of the movement.

The declaration said all disputes must be resolved exclusively by peaceful means guided by the strict observance of mutual respect for independence, sovereignty and territorial integrity of states, inviolability of legally established international frontiers, and non-interference and respect for the right of people to free national and social developments.

Disputes should be resolved between neighbouring states through direct negotiations, mediation or good offices accepted by the parties concerned or other measures embodied in the UN charter, without recourse to threat or use of force and without foreign intervention and interference.

The declaration hailed adoption by the UN General Assembly of the declaration on inadmissibility of intervention and interference in the internal affairs of States on the basis of the Havana summit.

However, it noted with concern, that policies of intervention and interference, pressure and threat or use of force continued to be pursued against many non-aligned countries, with dangerous consequences for peace and security.

The declaration called upon all States to adhere to the declaration and observe its principles in their dealings with other States.

**UN ROLE:** The declaration calls for strengthening the role of the UN in the maintenance of peace and security.

It commended the UN Secretary-General's report to the 37th session calling for new and more effective approaches within the framework of the charter to prevent and resolve conflicts.

It expressed concern over the systematic attempts to bypass and disregard decisions of the UN and the organisation's inability to deal with threats to international peace and security.

YEAR OF UN: The summit called on the international community to observe 1985 as the year of the United Nations.

The declaration welcomed the question of the consideration of the implementation of UN resolutions at the forthcoming session of the General Assembly.

TENSION IN EUROPE: The declaration expressed concern over intensification of tension in Europe and the dangerous growth in the stockpile of weapons on that continent further aggravating bloc confrontation and staked the claims of non-aligned countries of Europe for participation in the Conference on Security and Cooperation (CSCE) in Europe.

The declaration reaffirmed the close inter-connection between security problems of Europe and the Mediterranean.

MALTA: The declaration welcomed the Maltese initiative in the CSCE to convene a meeting to discuss questions of security in the region as embodied in the Helsinki final act.

It stressed again the need to strengthen cooperation in the Mediterranean and called for a meeting of the non-aligned Mediterranean members soon to concert views and devise initiatives for cooperation and strengthening security in the region.

CYPRUS: The declaration reiterated full solidarity and support for the people and Government of Cyprus and demanded the withdrawal of all occupation forces as an essential basis for the solution of the Cyprus problem. It welcomed the proposal of Cypriot President for total demilitarisation of the island.

On the island's internal problem, the declaration hailed intensification of the UN Secretary General's efforts to accelerate inter-communal talks between people of Greek and Turkish origin. At the same time it expressed concern at the lack of progress in these talks. It hoped the talks would be carried out meaningfully and constructively to a speedy and mutually acceptable solution of the problem.

LATIN AMERICA: The declaration supported the struggle of countries in Latin America for independence and sovereignty and against imperialism, colonialism, neo-colonialism and all forms of foreign domination, hegemony and interference in the internal affairs of states.

The declaration noted with concern continuing tensions in Central America, the Caribbean and South Atlantic and said the process of change in the region could not be attributed to or explained by, an east-west ideological confrontation. Although the crisis situation prevailing in the region could not be viewed in isolation from the adverse developments in the global context characterised by great power confrontation, it has been aggravated by the intensification of imperialist interference in the internal affairs of the states of the region.

NICARAGUA: The declaration denounced new and increasing threats and acts of intimidation and acts of aggression against Nicaragua, particularly violation of its air space and territorial waters, sabotage and terrorist activities using foreign territory for attacks on the country, and called these part of a deliberate plan to harass and destabilise that country as has been acknowledged by a foreign power.

It commended the peace initiatives presented by Mexico, France, Venezuela, Colombia and Panama and welcomed Nicaragua's positive response calling all states concerned to adopt a similar attitude.

It asked the coordinating bureau of non-aligned countries to closely monitor events in the sub-region and appealed for cessation of all acts against Nicaragua. It called on the United States and Honduras to adopt a constructive position in favour of peace and dialogue and seek negotiated solutions acknowledging the right of any state to freely choose its own political, social and economic system. Also, countries of the region had been called upon to deploy maximum efforts to resolve their problems free from all external interference.

GUATEMALA: The declaration expressed concern over the repressive and expansionist policies being pursued by Guatemala using its special military ties with Israel and imperialism constituting a threat to other states in the region, especially Belize, a member of the non-aligned movement.

EL SALVADOR: On El Salvador, the declaration urged the United States to adopt a constructive position which could contribute to the peaceful solution of the problem. It emphasised the need for a negotiated solution and welcomed the peace initiatives of Mexico, Venezuela and France.

SURINAM: In a reference to Surinam, another member of the movement, the declaration expressed support for the country's sovereignty and independence. It hoped the country's future development will accord with the interests and well-being of its people, free from any external interference or pressure.

CUBA: The declaration called for cessation of all acts of aggression and threats against Cuba, violation of its air space and territorial waters and supported the island state's demand for the return of Guantanamo naval base. It also called for compensation to Cuba for the material loss caused to it by blockade and other aggressive measures.

PUERTO RICO: The declaration reiterated support for the right of Puerto Rican people to self-determination and independence. It opposed the establishment of military bases in the countries of the region against the will of the people, welcomed implementation of the 1977 Panama canal treaties restoring Panama's sovereignty over the canal, but expressed concern over the persistence of the US in policies hindering the implementation. It called upon all states to respect permanent neutrality of the Panama canal with due respect of Panama's sovereignty.

GRENADE: The declaration condemned covert and overt acts and political pressures by imperialist forces against Grenada, reaffirmed unconditional support

for the independence and territorial integrity of Belize and reaffirmed firm support to Argentina's right of sovereignty over the Falklands.

ARGENTINA: It urged Argentina and the United Kingdom to reopen negotiations with the participation and good offices of the UN Secretary General taking due account of the interests of the population of the islands.

Malvinas, South Georgia and South Sandwich islands have been recognised by the declaration as part of the Latin American region and expressed solidarity and firm support to Argentina's claims. The declaration considered the massive naval presence of Britain in Malvinas a cause for grave concern to countries of the region affecting their stability.

The declaration noted Venezuela's claims to more than two-thirds of the territory of Guayana and called for a peaceful and just settlement without recourse to the threat or use of force. It supported Bolivia's claim to recover direct outlet to the Pacific ocean with full sovereignty, supported the legitimate aspirations of Chilean people for restoration of fundamental freedoms and basic human rights and non-aligned course set by late President Allende.

KOREA: The declaration expressed the hope that the fulfilment of the Korean people's desire for peaceful reunification would be enhanced by the withdrawal of all foreign troops from the area.

The declaration reaffirmed the support of the non-aligned countries for the Korean peoples efforts to achieve the goal of reunification free of all foreign interference, in conformity with the three principles of independence, peaceful unification and great national unity, set forth in the joint North-South statement of 4 July, 1972.

AFGHANISTAN: The declaration called for a political solution of the issues of Afghanistan and Kampuchea and withdrawal of foreign troops from the two countries.

On Afghanistan, the declaration reiterated the urgent plea made by non-aligned foreign ministers here two years ago for a political settlement.

Such a settlement should be on the basis of the "withdrawal of foreign troops and full respect for the independence, sovereignty, territorial integrity and non-aligned status of Afghanistan and strict observance of the principle of non-intervention and non-interference", it emphasised.

The summit extended its full support to the "constructive steps" taken by the UN Secretary General for a political settlement on Afghanistan, saying that the discussions through the intermediary of the Secretary General was a step in the right direction.

The conference called on all States to "exercise restraint to avoid further endangering the peace and security of the region and to take such steps as would lead to the creation of conditions conducive to stable and harmonious relations among states of the region".



The declaration reaffirmed the right of the Afghan refugees to return to their homes in safety and honour and calls for a speedy solution to "this vast humanitarian problem".

NUCLEAR OPTIONS: The declaration asserted the inalienable right of every state to full and unrestricted access to nuclear technology for peaceful purposes, under non-discriminatory conditions.

The declaration deplored pressures and threats against developing countries to prevent them from accomplishing programmes for developing nuclear energy.

Non-proliferation, it said, should not be made a pretext for preventing states from exercising their full rights to acquire and develop nuclear technology for peaceful purposes geared to economic and social development, in accordance with their priorities, interest and needs.

#### Points in Economic Section

New Delhi PATRIOT in English 12 Mar 83 p 8

[Text] THE seventh non-aligned summit has called for the creation of five organisations that will help expedite cooperation between developing countries.

These organisations are for cooperation in science and technology with Delhi as the headquarter, a non-aligned solidarity fund and producers council.

The economic section of the declaration calls for, among other things, the following:

--An appeal to developing nations to adopt a seven-point programme to revive world economy and trade, and to curb protectionist practices in imports.

--An early establishment of a food security system to help out countries, chronically short of food, specially in Africa.

--Conservation of energy by developing countries while seeking funds for developing energy sources, and welcoming the OPEC decision to help out other developing countries on a priority and at official rates.

Details of the sections on these items in the economic document follow:

#### Projects

The summit identifies five major projects to provide institutional infrastructure for cooperation among developing countries.

The summit emphasises the importance of such cooperation for their economic and political stability and calls for speedy conclusion of negotiations on a global system of trade preferences within the Third World, without stipulating a time-limit.



A Centre for science and technology in Delhi, a centre for information on transnational corporations in Havana, a non-aligned solidarity fund for economic and social development, a project development facility and a new council of producers association are the five projects proposed to promote cooperation.

The economic declaration couples its stress on collective self-reliance among the non-aligned with a plea that developed countries must "take an enlightened view" of such cooperation.

It is not a substitute for cooperation with the developed North, nor was it directed against any country or group of countries. On the contrary, the North should help in the promotion of Third World cooperation 'in the interests of all-round stability and progress'.

The declaration underlines the role of economic cooperation among the developing countries in strengthening their own bargaining power, as key element in the new international economic order and as an instrument for restructuring international economic relations.

The declaration takes note of the fact that the developing countries command a vast market, produce practically all commodities have a large reservoir of human resources, technical skills, manufacturing capacities and financial resources.

A 'pragmatic and realistic approach' has been envisaged to produce results in a short period so as to reduce the vulnerability of the developing countries to the current economic crisis. A joint time-bound action has been suggested to implement the programmes for cooperation.

On the move for a bank for developing countries the summit notes with particular interest the feasibility study undertaken by the Group of 77 on their behalf and stressed the importance of financial cooperation among non-aligned and the need to strengthen existing financial institutions.

On the implementation of the ongoing action programme for economic cooperation among the non-aligned countries, the summit proposes guidelines for future action and recommends a meeting of experts of coordinating countries before 1985.

Priority has been attached by the heads of state or government to preparing multilateral cooperation programmes to augment food production of those countries.

To promote cooperation, the summit declaration emphasises the need to undertake technical preparation and execution of joint projects and provide arrangements for such multilateral cooperation projects.

The call by some countries for a non-aligned summit to further Third World cooperation has been remitted to the Non-aligned Coordination Bureau for in-depth examination.

## 7-Point Plan

The summit urges developed nations to urgently adopt a seven-point plan to help revive world trade and promote trade and development of developing countries.

The economic draft adopted by the economic committee and remitted to the plenary for final approval would have the developed nations refrain from imposing new restrictions on trade from developing ones.

It also urges them to eliminate forthwith restrictive, conditional, selective and discriminatory commitments or aimed at evading them.

Developed nations should also draw up a programme for the elimination of protectionist measures, including subsidies on uncompetitive products which adversely affect trade prospects of developing nations.

A second measure proposed in the draft calls for speedy structural adjustment in the developed nations in sectors where developing ones had dynamic comparative advantage, and their governments should make conscious and urgent efforts towards this end. UNCTAD-VI should result in significant measures in this regard.

Thirdly, developed nations should provide significant increases in market access to development countries taking into account the principle of special preferential treatment for the exports of developing nations.

The rules and principles governing the functioning of the present iniquitous international trading system should be reviewed with the aim of restructuring it to respond adequately and effectively to the present requirements of all nations particularly of developing ones.

The declaration also calls for further improvement of the generalised system of preferences in terms of product coverage and tariff reductions and for their simplification in operation. The GSP, should be given greater stability and concessions under it should not be subject to unilateral withdrawal.

Efforts to return to the normal trading rules of GATT (General Agreement on Tariffs and Trade) natory measures incompatible with their international commitment in the textile sector should be made as soon as possible and, in the interim period, bilateral textile agreements should conform strictly to the multi-fibre arrangement as extended by the protocol of December 1981.

Contracting parties should take appropriate action for implementation of the special measures for promotion of trade of the least developed countries as contained in the declaration of the GATT ministers meeting held in November 1982.

On commodities, the declaration condemns the increasingly prejudicial role played by transnational corporations with regard to the increased participation by developing countries in processing, marketing, transport and distribution of raw materials.

It calls on developing countries to expedite the process of signature and ratification of the agreement on the common fund--one of the first institutions to be established within the framework of the new international economic order.

The declaration welcomes the offer of the Philippines to host the headquarters of the fund.

It also calls for the improvement of the compensatory financing facility for commodity-related shortfalls in exports earnings of developing countries with special arrangements for the least developed countries.

The declaration describes the lack of progress in the attainment of Lima target of 25 per cent as share of developing countries in world industrial production as disturbing and points out, in 1981 their share was only 10.3 per cent. Referring to UNIDO's projections of financing requirements to attain the Lima target, the declaration says, all possible efforts must be made to promote investment in industrial sector by examining possible new mechanisms. Developed countries should augment financial flows to developing countries for their industrialisation programmes on affordable terms.

The summit also stresses the importance of full and timely implementation of UN resolutions concerning the industrialisation decade in Africa. It urges all countries to facilitate conversion of UNIDO into a specialised agency at an early date.

#### Food Security

The declaration calls for early establishment of a food security system in the non-aligned and other developing countries.

It also seeks as a matter of urgent priority, a special international programme of food and financial assistance to relieve the chronically food-deficit developing countries, particularly those in Africa.

The declaration recommends special facilities and the introduction of simplified procedures for the easy flow of credit from the international financing institutions to support the food development needs of developing countries.

Making 11 recommendations to tackle food and agriculture problems the declaration notes with great concern the deteriorating situation in developing countries, reflected in falling grain production and mounting imports which caused severe strains on their scarce foreign exchange resources.

The declaration strongly condemns the use of food as an instrument of political pressure and cautions against any kind of conditionality for supply of food aid.

The declaration urges the developed countries, international institutions and other donors to substantially increase development assistance to the food and agriculture sector in developing countries and to liberalise the terms of such assistance.

It notes some positive developments such as the IMF facility for supporting cereal imports and the target of 500,000 tonnes having been exceeded for the first time in 1981. The overall situation however continued to be unsatisfactory. It calls for renewed efforts to reach agreement on a new international grains agreement.

The declaration also recommends the urgent implementation of the five-point plan of action for food security adopted by FAO, full implementation of the resolution of the UN conference on trade and development on international food trade, and appropriate follow-up action on the conclusion of the GATT ministerial meeting on trade in agricultural products, progressive increase to the level of 18.5 million tonnes by 1985 of the aid commitments under the food aid convention, the need for constructive use of current food surpluses of developed countries by promoting development meeting emergency needs and helping developing countries to build-up national reserves and steps to be taken to guarantee food deficit developing countries, particularly the least developed countries, minimum food supplies in times of world wide shortage. The pre-positioning of stocks in strategic locations as recommended by the world food conference should be examined by FAO.

#### Oil Supply

The declaration welcomes OPEC decisions to accord priority to the other developing countries in securing supply of oil to meet their requirements "on the basis of the official prices" of member-countries of OPEC.

The declaration emphasises the seriousness of balance of payments problems of oil-importing developing countries, and urges early adoption of immediate and effective measures to overcome them through IMF and the establishment of "appropriate global arrangements."

The declaration does not, however, make any mention of energy affiliate of the World Bank, a proposal repeatedly put forward in recent years by oil-importing developing countries but opposed by US and some other nations.

The summit notes with 'great appreciation' efforts of OPEC countries and assistance provided by OPEC fund for international development in alleviating payments problems. It underlines the importance of promoting collective self-reliance among developing countries in the field of energy by way of appropriate bilateral, sub-regional, regional and inter-regional arrangements.

The declaration stresses the need for adequate availability of energy for developing countries to accelerate socio-economic development and urges all countries, particularly the developed ones, to take immediate measures for the rationalisation of energy consumption. The international energy situation requires very careful consideration.

It calls on all countries to cooperate actively and unreservedly in the follow-up action on the UN General Assembly resolution on development of energy resources in developing countries. The completion of comprehensive study to be undertaken in UN on energy development and mechanisms to fill existing gap



and preparation of effective programmes in the energy sector are tasks of the utmost urgency.

The declaration urges enlargement of resources of the World Bank for energy lending, at present "utterly inadequate" as a matter of the highest importance.

The declaration also asks industrialised countries to participate actively and cooperate meaningfully in the implementation of the Nairobi programme of action adopted by UN conference on new and renewable sources of energy in 1981. There is also pressing need for urgent development and transfer of energy-related technologies to developing countries on terms suited to their needs.

On science and technology, it underscores the importance of strengthening these capacities of developing countries for promoting their development. Development of technologies adapted to specific conditions and needs of developing countries also requires special attention, it says and welcomes the decision to establish a centre for science and technology for development.

The summit document also calls for expeditious completion of negotiations in finalising the international code of conduct on transfer of technology and hopes that aid would be available to establish the proposed international committee for genetic engineering and biotechnology in a developing country.

#### More on Economic Section

Madras THE HINDU in English 14 Mar 83 p 19

[Text]

NEW DELHI, March 13

The seventh non-aligned summit, which concluded on Saturday, resolved to impart a fresh political impetus to the stalled global negotiations and outlined a programme of immediate measures in areas of critical importance to developing countries.

The summit declaration has put the responsibility for the failure to launch the global negotiations, first called for at the Havana summit of non-aligned nations (1979) and subsequently enshrined in a U.N. General Assembly resolution to the refusal of a few industrialised countries, in particular one major industrial country, (U.S.) to respond positively to "constructive suggestions" made by the Group of 77 in July 1982.

Calling for the early launching of the global negotiations, the economic declaration from the seventh summit says the current global economic crisis has made it imperative and urgent for the major issues of the world economy to be considered in an inter-related manner within the framework of the negotiations. The summit has urged the developed countries to respond "positively and constructively" to the efforts of the developing countries for the early launching of the negotiations.

"As a demonstration of the resolve to impart a fresh political impetus" to global negotia-

tions, the heads of State or Government of non-aligned nations at the New Delhi summit proposed the convening of a conference within the U.N. to launch the negotiations in early 1984.

In the first phase, those issues on the formulation and allocation on which agreement would have been reached would be taken up. Parallel efforts should be made through a working group of the conference for expanding the global negotiations to include in the second phase other issues, particularly those affecting the structure of the international economic system and institutions, the declaration said.

In the meantime, the summit has set out a programme of immediate measures in areas of critical importance to developing countries, such as food, energy, financial flows, trade and raw materials at the forthcoming conferences and meetings of UN system.

(These include the sixth session of UN-CTAD at Belgrade in June, the annual meeting of the IMF World Bank in September and the U.N. General Assembly session, 1983)

Stating that immediate problems of developing countries brook no delay, the declaration calls for "bold and imaginative approaches". Some of the immediate measures proposed need to be taken on an emergency basis. The summit has called on the IMF and World Bank, especially, to give urgent consid-



ration to measures which could have the effect of quickly stimulating the economies of developing countries and for which mechanisms are immediately available.

The non-aligned countries have resolved to pursue vigorously these measures at UNCTAD sixth session and formulate specific resolutions and proposals in the relevant negotiating forums.

Some of the immediate measures have implications for medium and long-term action as well as for structural changes in the existing international economic system and such negotiations would be continued within the framework of global negotiations when launched, the declaration said.

#### **Monetary system reform**

The summit has also called for the convening of an international conference on money and finance for development, with universal participation. This conference should consider comprehensive reform of existing "inequitable and outdated" monetary and financial system and should not be regarded as pre-condition for launching of global negotiations. It would become an integral part of these negotiations when they are launched.

After considering proposals by Algeria and Sri Lanka in regard to follow-up action on the economic declaration, the summit requested the chairman (India) to take such action "as deemed appropriate", and invite a group of heads of State or Government to hold discussions with other world leaders on the substance of the New Delhi declarations.

A summit-level meeting at the 38th session of U.N. General Assembly (September 1983) would also provide an early opportunity to hold such discussions at the highest level.

Following is the programme of immediate measures in areas of critical importance to developing countries:

A. Monetary and financial issues, and transfer of resources:

#### **Official Development Assistance (ODA)**

(i) Attainment of 0.7 per cent of GNP as ODA by 1985. Transfer of resources should be placed on an increasingly assured, continuous and predictable basis and there should be rational and equitable distribution among developing countries. Within the context of general increases of ODA to developing countries as a whole, the target of 0.15 per cent of GNP as ODA for the least developed countries should be achieved by 1985. Aid should preferably be in the form of grants and should be untied.

(ii) Significant increase in programme lending in ODA flows. Improvement in modality, composition and quality of aid.

#### **Indebtedness**

(iii) Exchange of information between the developing countries on their negotiations with regard to their external debt and, where desirable, collaboration between them in such negotiations. Development of a comprehensive, equitable, multilateral framework for the restructuring of the debt burden of developing countries in order to provide an orderly international response to the possible emergence of serious debt crises.

(iv) Expeditious and full implementation of Trade and Development Board resolution 165 (S-IX) and conversion of all outstanding bilateral official development assistance loans into grants for the least developed countries.

#### **International Monetary Fund**

(v) Increase of IMF quotas beyond that agreed in the recent interim committee meeting to a level of SDR 125 billions. This increase to be effected while maintaining the present limits on access in terms of multiples of quota.

(vi) A sizable allocation of SDRs sufficient to provide much needed liquidity over and above the requirement for paying the 25 per cent reserve tranche component on the recent quota increase. Mechanisms should be found for developed countries to give up a portion of their share of SDR allocations to the developing countries.

(vii) Pending the replenishment of Fund resources to the extent necessary through the further increase of Fund quotas, the GAB resources should be effectively available to the Fund to meet members' needs, and in addition, the Fund should resort to additional borrowing from surplus countries or capital markets as necessary.

(viii) Replenishment of the IMF Trust Fund by further sale of IMF gold and the use of these resources for subsidised lending to eligible developing countries.

(ix) Immediate review of IMF conditionality with a view to ensuring consistency with the kind of adjustment process which developing countries can adopt keeping in mind, when prescribing certain policy changes, their economic situation, the structural nature of their imbalances, and the need to encourage expansion in production as an integral part of structural adjustment. It is essential to avoid adjustment processes which jeopardise the development process.

(x) Liberalisation of the compensatory financing facility commensurate with the greatly increased requirements in the light of the decline in commodity prices.

#### **World Bank**

(xi) Substantial expansion of the current lending programme of the International Bank for Reconstruction and Development (IBRD).

(xii) Facilitating an enlargement of World Bank programme lending, under conditionality, that would not be detrimental to the development processes, including lending for structural adjustment by changing its present limit on such lending from 10 per cent to at least 30 per cent of total lending.

(xiii) Further augmentation of the Bank's capital resources through an additional capital increase at an early date while also taking steps to increase the gearing ratio of the Bank from the present 1:1 to 2:1.

(xiv) Substantial increase in the seventh IDA replenishment so as to enable it to provide a real increase in flows to all recipients, particularly the low-income and least developed countries. The terms of IDA lending should not be hardened.

(xv) Appropriate action to activate sec-

tions of the articles of agreement that had never been made operative but which are potentially capable of improving importantly the position of developing countries within the Bank.

#### Trade and Raw Materials Access

(xvi) Substantially increased market access in developed countries for exports from developing countries.

(xvii) Special emphasis to special and preferential treatment for the exports of developing countries. Further developed countries must refrain from any restrictive, conditional, selective or discriminatory treatment to the detriment of developing countries.

(xviii) The developed countries should:

(a) Refrain from imposing new restrictions on trade in commodities, including agricultural commodities, and manufactured and semi-finished products, originating from the developing countries.

(b) Eliminate forthwith restrictive measures incompatible with their international commitments or aimed at evading those commitments.

(c) Draw up a programme for the elimination of protectionist measures, including subsidies on uncompetitive products, which adversely affect the trade prospects of the developing countries.

(xix) Retaining the generalised and non-discriminatory character of the generalised system of preferences and improvements in the GSP in terms of both products coverage and tariff reductions.

(xx) Commitment by the developed countries to refrain from unilateral action adversely affecting the trade of developing countries.

(xxi) Developed countries should refrain from using economic measures as a form of political coercion.

#### Adjustment policies

(xxii) Structural adjustment measures in the policies of developed countries with a view to increasing imports from developing countries, and the strengthening of the relevant mechanism in UNCTAD for consultation and coordination on trade and adjustment policies so as to ensure inter alia with the transparency of national actions and multilateral surveillance.

(xxiii) Speedy conclusion of agreements on commodities listed in UNCTAD Resolution 93 (iv).

(xxiv) The conclusion, where possible, of arrangements on particular commodities to prevent any fall in price.

(xxv) Urge developed countries in selling

their strategic reserves to engage in prior consultation with developing countries producing and exporting in order to avoid depressing the price of that commodity.

(xxvi) Early ratification of the Common Fund Agreement so as to bring it into operation by January, 1 1964.

(xxvii) Early announcement of pledges of contributions to the second account of the Common Fund with a view to meeting the agreed target.

(xxviii) Improvements in existing international commodity agreements (ICAs) to provide for appropriate pricing arrangements to secure remunerative prices for producers.

(xxix) Liberalisation of the IMF buffer stock financing facility to enable ICAs to meet their financial requirements.

(xxx) Improvement and enlargement of facilities for the stabilisation of the commodity export earnings of developing countries.

(xxxi) Establishment of frameworks of cooperation with a view to increasing the participation of developing countries in the processing, marketing, distribution and transport of their commodities.

(xxxii) A net expansion in World Bank lending in the energy sector within the context of an overall expansion in its lending programme.

(xxxiii) Early establishment of an appropriate multilateral financing facility for the development of indigenous energy resources of developing countries within the existing international institutions such as an energy affiliate of the World Bank.

(xxxiv) Support within the framework of the United Nations system and other relevant institutions for energy research in developing countries and promotion and transfer of energy-related technologies.

(xxxv) Expansion and enlargement of the food financing facility of IMF to cover other essential food items.

(xxxvi) Increase in the targets of the international emergency food reserve from 500,000 to 750,000 tonnes and of the food aid convention from 10 to 18 million tonnes.

(xxxvii) Establishment of a food security system inter-alia through a system of developing-country-owned food reserves.

(xxxviii) Adoption as a matter of urgent priority of a special international programme of food aid and financial assistance to relieve the hard hit countries of Africa.

(xxxix) Increased flow of resources for investment in food and agricultural production as well as for the development of indigenous research capacity. — PTI.

Madras THE HINDU in English 14 Mar 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, March 13

After the hectic activity of the last two weeks, an eerie silence descended today on the Vigyan Bhavan complex, the venue of the seventh non-aligned summit, as the flags were removed, the security cordon lifted and the adjoining roads thrown open to traffic again.

But there was no respite for the Indian delegation which was busy tidying up the conference papers for documentation, besides considering the strategy for follow-up action on the summit declarations, appeals and action programmes.

As chairman of the non-aligned movement for the next three years, the main responsibility of devising the broad approaches of the community to the political and economic issues spelt out in the summit decisions would fall on India, which would be required to initiate the necessary moves at appropriate levels in pursuit of the declared objectives. In discharging this onerous responsibility, India would have to take parallel steps to ensure the steadfast adherence of the non-aligned community to these summit decisions, before opening up a dialogue with the big powers on them.

The very first item for follow-up action that is already receiving attention is the need for evolving a joint approach by the non-aligned community, acting through the Group of 77, to some of the major issues that would be coming up for discussion at UNCTAD IV in June in Belgrade. The ministerial meeting of the Group of 77 in Buenos Aires next month will be taking note of the summit decisions to harmonise the positions of the developing countries on some of the key issues relating to trade and development before the Belgrade conference.

**Complex questions:** Then there are the bigger and more complex questions of persuading the industrially advanced countries to cooperate with the developing nations in holding an international conference on money and finance for development, as a first step towards global negotiations for a new economic order in due course. A certain amount of spade work has been done during the Delhi summit itself to dispel the misgivings of some of the non-aligned countries themselves about the scope and relevance of such negotiations.

The idea of global negotiations is still a non-starter not only because of Western intransigence but also due to some reservations on the part of the oil-exporting developing countries which view the demand as only a cover for exerting pressures on them to contribute more money for the development of the poorer nations. So the impassioned plea made at this summit for an early start of these negotiations can be described as only a quest at this stage.

The emphasis placed on universal participation in the proposed international conference

on money and finance for development is intended to rope in the Soviet bloc into these discussions. In the current economic jargon, the communist East consisting of the Soviet Union and the socialist countries of Eastern Europe is treated as part of the capitalist West, while the socialist East that includes China and Vietnam goes with the South for purposes for North-South dialogue. The big problem is how to politically reconcile the interests of developed societies like the U.S. and the USSR on the one hand and developing ones like India and China on the other to be able to discuss together the problems of global development at an international conference.

**Primary emphasis:** In placing the primary emphasis on immediate measures for relief in areas like food, energy, trade and development, India is not trying to divert the primary attention from global negotiations, much less from the proposed international conference on money and finance. It is only taking a pragmatic view of the opportunities open to the non-aligned community, in concentrating more on what is possible than what is desirable in the present circumstances, by seeking qualitatively superior solutions to more immediate problems with well-determined priorities for tackling them.

A heartening factor that came to light on the eve of the Delhi summit was that, in spite of their sharp divisions over numerous issues, the non-aligned community had by and large remained united in the last two decades as revealed by the voting patterns of its members both at the United Nations and at various international conferences on issue of fundamental importance to it. A computer study made in the U.S. had shown that, despite the frequent "star wars" the non-aligned countries fight over sensitive issues like Kampuchea and Afghanistan, the community voted together on 90 per cent of political issues and 80 per cent of economic issues.

So India is not worried about the ability and resilience of the non-aligned community in sustaining its unity during North-South discussions. The question is how to proceed with these negotiations, without over-stepping the mark or over-reaching itself, to achieve the desired results in a proper sequence to make the outcome equally acceptable to the affluent nations.

As chairperson of the non-aligned movement, the Prime Minister, Mrs. Indira Gandhi, will be going to Belgrade in June to address the UNCTAD conference. She will be attending the next General Assembly in September in pursuance of the appeal made by the Delhi summit to all heads of Government from both East and West, North and South, to discuss measures for making the U.N. a more effective instrument for the preservation of world peace.

There are several other suggestions of a political or semi-political nature that are being examined carefully in the light of the observations made by many heads of Government during the summit conference. One proposal which was not favoured by India was made by the Sri Lanka President, Mr. J. R. Jayewardene, for a small North-East heads of State meeting with Soviet participation. It was intended to be a non-aligned initiative with two representatives from each region headed by India in its capacity as current chairman for a dialogue with the heads of Britain, France, Germany, Japan, the U.S. and the Soviet Union.

**Periodic meetings:** The summit declarations have empowered the chairman to convene periodic meetings of the non-aligned community at appropriate levels, including some select heads of Government, to discuss the implementation of the action programmes for both North-South dialogue and South-South cooperation.

### Security Council Prospects

Madras THE HINDU in English 15 Mar 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, March 14.

As chairman of the non-aligned community, India is assured of election to one of the five non-permanent seats on the Security Council falling vacant at the end of this year in recognition of the important role it will have to play during the next three years as leader of a movement representing two-thirds of the total membership of the United Nations.

It does not ipso facto follow that the chairman of the non-aligned community is automatically entitled to a place on the Security Council in view of this special position, since Cuba had been denied this honour despite an all-out bid made by it.

But many non-aligned countries had indicated during the Delhi summit that they would like to see India fill one of the two Asian seats falling vacant with the completion of Jordan's two-year term while Pakistan which is currently a member will be serving on the Security Council till the end of 1984.

Five of the ten non-permanent seats of the 15-member Security Council fall vacant at the end of each year and are filled by election from different geographical regions. It is done either unanimously, on the basis of a consensus in the respective geographical groups or through voting in the General Assembly in the event of a contest.

#### Contest not likely

It is almost certain that India's candidature will be sponsored by the Asian group to ensure its unanimous election. But in the unlikely event of a contest it is expected to be elected with the support of an overwhelming majority of the non-aligned nations.

The five permanent members of the Security Council are Britain, China, France, the

United States and the Soviet Union. The ten non-permanent members at present are Guinea, Jordan, Malta, the Netherlands, Nicaragua, Pakistan, Poland, Togo, Zaire and Zimbabwe. The five countries that will be completing their two-year term at the end of 1983 are Guinea, Jordan, Poland, Togo and Zaire.

In the last 32 years, India has served on the Security Council four times — during 1950-52, 1967-68, 1972-73 and 1977-78 — altogether for eight years, when it had fought hard on issues like Korea, Suez and Palestine taking a principled stand that earned the gratitude of many nations. But India also came under fire for what was regarded by some countries as an equivocal stand on issues like Hungary at the height of the cold war impinging on East-West relations.

#### Added impetus

India would have staked its claim to one of the Asian seats in the normal course at the end of 1983 after a lapse of five years, even if it had not become chairman of the non-aligned movement. But its emergence as head of this community has provided an added impetus to this claim, besides prompting many member countries to suggest it.

Apart from espousing the causes of the Third World, India will be required to play a pivotal role as a member of the Security Council in carrying forward the mandate of the seventh non-aligned summit to transform the U.N. into a more effective forum for the preservation of peace and security and promotion of a new international economic order free from exploitation.

The wider question of restructuring the U.N. to reduce the tyranny of the big power



veto through some institutional checks and balances, like prescribing a minimum of two or three veto votes to block a decision, will also come up for consideration in one form or the other during 1985 which is being designated as the Year of the United Nations. And if the permanent membership of the Security Council is going to be increased at same point, India will be one of the natural contenders for this position.

#### CPI Statement

New Delhi PATRIOT in English 16 Mar 83 pp 1, 7

[Text]

Welcoming the documents adopted at the seventh non-aligned summit in New Delhi the Communist Party of India declared that it will mobilise the country's masses in support of every effort of the Government of India to implement the summit decisions.

Emphasising the need for a "sustained and energetic struggle for the urgent and effective implementation of the (summit) decisions", the CPI Central Secretariat in a statement said US President Ronald Reagan's open threat to the Central American states even while the conference was on proved that grim battles lay ahead. "In this task, India, as the new chairman (of the non-aligned movement), has a big role to play in the coming period", the statement underlined.

The Secretariat pointed out that Mrs Gandhi's inaugural address and Cuban President Fidel Castro's keynote speech had set the tone for the summit deliberations. It was a matter of satisfaction that "despite frantic efforts made

by US imperialism and its stooge states like, Singapore to drown the summit in endless discussions on Afghanistan and Kampuchea and derail the movement from its anti-imperialist direction, the New Delhi summit on the whole upheld the basic principles of the movement—anti-imperialism, anti-colonialism, anti-racism and anti-Zionism".

The statement highlighted the summit's stress on nuclear disarmament and its call for negotiations for such as well as general disarmament, alongwith the demand for nuclear-weapons-free zones in different parts of the world.

"The whole world knows that the Soviet Union and other socialist countries stand precisely for such steps and have repeatedly taken initiatives in this direction, which were, however rejected by the Reagan Administration", the Secretariat pointed out.

It welcomed the summit's denunciation and criticism of the US policies in West Asia, Latin America, South Africa, as also plea for decolonisation of Diego Garcia.

"Though some compromises were made on the issues of Afghanistan and Kampuchea, under pressure from pro-imperialist states, the summit emphasised the need for continued efforts for a peaceful political settlement of these issues on the basis of non-interference in the internal affairs of these states".

The Secretariat said the summit had broken new ground by proposing the immediate convening of an international conference on money and finance for development, with universal participation and called for a comprehensively restructured new international monetary and financial system to replace the Bretton Woods structure.



Bombay THE TIMES OF INDIA in English 17 Mar 83 p 9

[Text]

NEW DELHI, March 16.

THE Congress(I) parliamentary party hailed the successful conduct of the seventh non-aligned summit here under the leadership of Mrs. Indira Gandhi and adopted a resolution amidst prolonged ovation here today.

Mrs. Gandhi was absent at this meeting held in the Central Hall of Parliament. The deputy leader of the party in the Lok Sabha, Prof. N. G. Ranga, presided over the meeting and read out the resolution which was adopted amidst applause and thumping of desks.

The resolution felicitated the Prime Minister on her election as chairman of NAM for the next three years and lauded "Her leadership which resulted in a positive outcome of the conference which is universally recognised."

#### FIRM CONVICTION

It also expressed its "deep appreciation" for the tireless efforts of all those who contributed to the successful conduct of the conference.

The resolution adopted by the CPP(I) expressed its firm conviction that India's chairmanship of the NAM

would "further enhance and consolidate the unity and solidarity of the non-aligned movement."

The resolution welcomed the "success and achievements of the historic seventh summit conference of non-aligned countries" held in New Delhi from March 7 to 12.

Expressing awareness of the "enormity of the preparatory task in preparing for a conference, at short notice, attended by more than 100 delegations, most of them at heads of state/government level" and recognising the significance "of the New Delhi message to strengthen the hands of all those who believe in independence, peace, disarmament and development," the CPP(I) felicitated Mrs. Gandhi for her leadership.

Among those who spoke at the meeting were the Congress(I) working president, Mr. Kamalapati Tripathi, and the party's general secretary, Mr. C. M. Stephen.

Later, the discussion on the budget was inconclusive. Mr. J. K. Jais, CPP(I) secretary, said that two more meetings would be held to discuss the budget at the end of which the finance minister, Mr. Pranab Mukherjee, would reply.

#### 'Men Behind the Show'

Madras THE HINDU in English 20 Mar 83 p 2

[Article by G. K. Reddy]

[Text]

THE non-aligned summit, like the Asiad, has demonstrated the high degree of professional talent available in the Government, even in its present rundown state, for staging world class events with quiet efficiency, given the freedom of action with the least political interference. A lot of money, no doubt, has been spent on avoidable ostentation, but it could not be helped because of the precedents set by other countries which hosted the earlier summit conferences.

It was no easy task even for an affluent country, let alone a poor one like India, to look after a hundred top dignitaries with some 3,000 high officials and another 3,000 support staff, 500 media men and 30,000 Indian security, communications, clerical, catering and maintenance personnel involved in the logistical arrangements for the conference.

Though as a sporting event the Asiad was a grand spectacle, the extravaganza did not involve hospitality responsibilities on any scale comparable with the non-aligned summit conference. The games officials, the participants, the press, the foreign invitees and visitors from

abroad for the Asiad did not total more than 8,000 persons with hardly 200 entitled to VIP treatment.

At the non-aligned summit, on the other hand, more than half the visitors had to be looked after with varying degrees of special attention. The 82 potentates, Presidents, Vice-Presidents and Prime Ministers and 96 Foreign Ministers who attended the conference, were entitled to protocol courtesies

ranging from a ceremonial welcome with a guard of honour and drive into the city in a motorcade, followed by State banquets and receptions, to discreet tete-a-tetes and the privilege of consultation on important issues.

All of them had to be made to feel equally important during the conference to ensure their

support, or at least soften their opposition, when controversial questions came up for discussions so that the magic of consensus was kept up in the true non-aligned tradition.

### The brunt

The one man who bore the brunt of the tremendous organisational work, with the ultimate responsibility for almost everything connected with the conduct of the conference, was the Secretary-General, Mr. K. Natwar Singh, who worked round-the-clock for days together to see that nothing was left to chance. He was ably assisted by a team of senior officials drawn from practically every agency of the Central Government to finalise the arrangements in time and ensure that everything went off well as planned with smooth efficiency.

Mr. Natwar Singh was recalled from Islamabad last April, before completing his full tenure as Ambassador to Pakistan, to take up the work of organising the Commonwealth Heads of Government Meeting (CHOGM) in addition to his territorial responsibilities as a Secretary to the Government. He was put in charge of the summit arrangements to complete the work in less than four months, even before he got into stride with the CHOGM preparations.

But it was the Chief of Protocol, the quiet and soft-spoken Mr. M. H. Ansari, who set an all-time record of receiving nearly a hundred heads of State or Government and other leaders of delegations within a span of two days, qualifying himself for a mention in the Guinness Book of World Records, even if one were to exclude the Foreign Ministers who arrived earlier to participate in the pre-summit conference.

The protocol section of the External Affairs Ministry is an astonishingly small outfit with a paucity of both funds and staff for coping with such situations. It was closely involved in almost every aspect of the summit work other than the drafting of the declarations or ensuring the personal security of the visiting heads and their wives.

A vast security organisation was set up, the largest ever attempted in India either before or after independence, as part of an over-all coordination committee under the chairmanship of Mr. K. P. Singh Deo, Minister of State for Defence, who was directly reporting to the Prime Minister on the progress of the summit preparations.

Mr. K. T. Satarawala, Vice-Chairman, and Mr. K. Sankaran Nair, Deputy Chairman and Secretary-General of the Special Organising Committee of the Asian Games, who had done some remarkable work in organising the Asian Games, were included in the coordination committee of the summit to utilise their experience.

The three of them, working in close concert with Mr. Natwar Singh's team, took charge of the over-all supervision of the work of all the support services provided by various government departments.

### Support services

These included the Central Public Works

and Horticultural Departments which renovated and remodelled the Vigyan Bhavan complex and beautified it, the Indian Tourism Development Corporation and private hotel managements in charge of catering and accommodation, the Posts and Telegraphs and Overseas Communications Service that put up new electronic telephone exchanges, established and operated 80 hot-lines from the hotel suites of the visiting heads of State or Government to their respective capitals, the Directorate-General of Civil Aviation and International Airports Authority of India which were in charge of all VIP arrivals and departures, and the Press Information Bureau, the All-India Radio and Doordarshan in charge of media facilities like telex and radio photo transmission and television relays by satellite.

The security aspects were looked after by Mr. Sankaran Nair, a retired I.P. officer who served with distinction as one of the top functionaries in both the internal and external intelligence organisations. The Air Force which closely monitored over its radar network the movements of foreign aircraft bringing in the heads of State or Government mounted aerial surveillance with both fighter aircraft and helicopters during the crucial days of their arrival and departure.

### Security arrangements

The army dealt with only ceremonial aspects like the provision of guards of honour, playing the national anthems of so many countries, providing motor cycle escorts to the motorcades of the heads of State or Government, the attachment of honorary ADCs to each one of them and the arrangements for beating the retreat ceremony by massed bands of the three services.

But the real security arrangements, involving the deployment of as many as 17 battalions of para-military units provided by the BSF, CRP and other formations besides 2,000 plainclothesmen and 5,000 ordinary policemen, a total of nearly 16,000 men of whom at least 10,000 were armed with every conceivable weapon including the very latest communications equipment for dealing with acts of terrorism, were looked after by a multiplicity of police and intelligence organisations.

A Deputy Director of the Intelligence Bureau, Mr. K. V. H. Padmanabhan, was attached to the Conference Secretariat as the Chief Security Coordinator, while the former heads of the Police wireless under the Home Ministry, Mr. C. P. Joshi, was entrusted with the task of establishing a central control room at Vigyan Bhavan for closely monitoring the movements of all heads of State or Government and alerting the police patrols on the routes used by them.

The Vigyan Bhavan complex itself was transformed into an impregnable fortress guarded day and night, both inside and outside by BSF Command units and plainclothes-

men, while army-type jeeps with machine guns kept a constant vigil around the area during the conference. It was perhaps the highest security risk congregation of world leaders anywhere at any time requiring maximum possible precautions.

There were many personalities like Dr. Fidel Castro and Mr. Yasser Arafat who were in constant danger, besides quarrelsome delegations like those from Iran and Iraq, who had to be protected from possible assassins as well as from one another during this conference.

The task of the Indian security officials was made more difficult by the scare reports that many delegations were passing on saying that an attempt may be made on the lives of their leaders by hired assassins prowling around in Delhi under various garbs during the summit conference.

The Government had set up what was called a crisis cell, consisting of such top officials as the Cabinet Secretary, Principal Secretary to the Prime Minister, Foreign Secretary, the Secretary-General of the Summit, the Directors of Intelligence Bureau and RAW, the Adviser to the Cabinet on Security and the Minister of State for Defence to cope with any such situation.

#### A near crisis

A crisis nearly arose on two occasions, first at the airport and a second time at the Taj Mahal hotel, when the Iraqi Commandos behaved as though they were in Baghdad and not in Delhi. About 200 of them arrived fully armed, posing as "delegates" on the basis of Indian visas issued to them, to protect the Iraqi Embassy compound in case Mr. Saddam Hussain decided to attend the summit.

In its anxiety to placate Iraq, the Indian authorities committed the double folly of issuing visas to such a large number of "delegates" without bothering to check their antecedents and then trying to dissuade or prevent them from coming to Delhi. The aircraft in which they arrived had to be kept at a corner of the airport under BSF vigilance until the Government decided to let them in only with a limited quantity of arms.

The second incident occurred when nearly a hundred of them followed their Vice-President in a dozen cars and insisted on entering the hotel with their arms. The BSF Commandos had to brandish their own weapons and form a human wall to keep them out until the matter was settled. But then the Iraqis were not the only wild men who tried to throw their weight around, since the Iranians in smaller numbers behaved just the same, while the Syrians had to be disarmed at Maurya Hotel in more or less similar circumstances.

The Cubans also came in strength but were shown some extra consideration because

of Dr. Castro's special security requirements.

The Pakistanis on the other hand were satisfied with the Indian arrangements and Gen. Zia-ul-Haq went about with the least concern about his safety making several trips around Delhi including one to Karol Bagh to see the area where he lived as a student in Delhi before partition.

#### Formidable team

At the political level, the Government got together a formidable team well versed in the art of conference diplomacy, headed by the Prime Minister herself with the External Affairs Minister, two other Cabinet Ministers, two Ministers of State, four members of Parliament, political and economic experts and a number of senior Ambassadors and other diplomats specially called to Delhi. (Apart from non-officials like Mr. L. K. Jha, Mr. G. Panthasarathy and Mr. Sukhamoy Chakravarty, who played a key role behind the scenes, the three secretaries in the External Affairs Ministry — Mr. M. K. Rasgotra, Mr. Ramesh Bhandari and Mr. K. S. Balpai — and India's Permanent Representative to the United Nations, Mr. N. Krishnan, bore the brunt of all-night negotiations with various delegations on contentious issues to put together some agreed formulations.

#### P.M. shows rare tact

The politicians who were impatient with the exasperating delays had to be gently reminded by their official advisers that summit conferences were not AIACC sessions that the art of persuasion had to be practised with consummate skill and imagination. And some of the over-zealous officials who wanted to build up the summit as an Indira Gandhi show, as though her leadership was now extending to the four corners of the globe covering one-half of the world population, had to be restrained from over-reaching themselves. What is really important is that Mrs. Gandhi conducted herself with admirable dignity displaying remarkable patience and rare tact in handling the leaders of such a heterogeneous collection from a hundred nations.

There have been endless dinners and receptions to celebrate the successful conclusion of the summit, starting with the Presidents at home at Rashtrapati Bhavan to numerous other parties at different levels to say a good word to all those who had handled this difficult task with great dedication.

A good many are going to figure in the next Republic Day awards like the Asiad stalwarts who got more than their share in the last honours list. And if Mr. Bata Singh emerged as the main hero from the Asiad, Mr. Singh Deo will be certainly one, if not the only one to do so from the non-aligned summit conference.

## WEST GERMAN BANK TO EXPAND OPERATIONS IN INDIA

Bombay THE TIMES OF INDIA in English 17 Mar 83 p 9

[Text]

**D**RESDNER Bank, the second largest bank in Germany with consolidated total assets of DM 160 billion and a worldwide network, proposes to step up its activities in India.

Announcing this here today, Dr. Christoph von der Decken, managing director of the bank, said that the bank has just completed its corporate planning for the coming years, and has identified the regions in the world where it wants to expand. "Among these regions, India is one of the top candidates".

Dr. Decken said that the positive assessment was based among others on favourable factors such as the free parliamentary system of the country, the size of the market with its abundant human resources, the fairly well diversified industrial structure, the growing extent of self-sufficiency in food, the increasing self-sufficiency in oil products, the diversified structure of exports, the good foreign debt management and low short-term indebtedness, and above all, the positive attitude of the government of India towards foreign capital. He said that this view was also shared by the German industry.

## DSP AS AGENT

Dr. Decken announced that the bank had decided to appoint DSP Financial Consultants Ltd Bombay, as its agent in India to take care of the bank group's interest in the country.

He agreed that the normal way of international banks was to set up their own representative office in India. However, his bank decided to have an Indian merchant banker as its agent in India, since representative office would not provide in-depth local know-how which was essential in the huge market.

Dresdner Bank is probably one of the first large international banks to try out this new method.

Dr. Decken said that considering the long-standing relationship which the bank has maintained with DSP Financial Consultants, it came to the conclusion that co-operating with

them more closely would combine the local expertise and the bank's international know-how.

Mr. Hemendra Kothari, vice-chairman of DSP Financial Consultants, said that his firm would provide the bank regularly with information on matters of interest, and help the bank in identifying new clients.

Dr. Decken said that the bank's particular interest was to look after the handling of the German trade with India and to finance German exports. It would also be interested in developing its business relationship with a number of Indian industrial clients.

Dr. Arno Horn, senior manager, international division of Dresdner Bank, said the bank would finance the purchase of one rocket by Indian Space Research Organisation (ISRO) from Arian Space. The financing for the rocket would be done jointly with a French bank. He said his bank was the first German bank to lead in financing Airbus for Indian Airlines.

The bank has maintained active correspondent relations with over 70 banks and financial institutions and their branches in India. More recently, the bank group lead-managed and co-managed loans to Telco, Bharat Forge and Ashok Leyland as also provided bridge finance to Indian companies for their contract work in third countries.

Dr. Horn said that nearly 10 projects for providing know-how contracts from Germany were being finalised.

The bank through its subsidiary, Dresdner (South East Asia) Singapore, has provided finance in foreign currency to Indian entrepreneurs exceeding the amount of supplies from Germany.

Referring to world economic situation, Dr. Decken said that economic crisis was not just a cyclical downturn but to a great extent a structural phenomenon. Although the business climate has improved in the past few weeks, he expected only a "rather moderate recovery" of the world eco-

nomy in the current year, especially in Europe.

International bankers were worried over the difficult international debts situation. The government of the Federal Republic of Germany had granted tax concessions to banks, who had lost in their operations in Poland.

He said an oil price reduction of five U.S. dollars per barrel would increase real GNP growth in the Western world by 0.5 to one percentage point, a development which was highly welcome to all countries, both developed and developing.

He said "some dark clouds on the horizon" would disappear before long.

CSO: 4600/1386



INDIA

BRIEFS

SOVIET YOUTH TEAM--NEW DELHI, March 14--A four-member Soviet youth delegation, led by a member of the Central Committee of the Young Communist League (Komsomol), Mr. Vladimir Lebedev, has arrived here at the invitation of the Students Federation of India (SFI) and the Democratic Youth Federation of India (DYFI) for bilateral talks. The delegation was received at the airport by Mr. Hannan Mollah, MP, General Secretary, DYFI, Mr. Sita Ram Yechury, Vice-President, SFI, and Mr. Nepal Bhattacharya, MP, General Secretary, SFI. [Madras THE HINDU in English 15 Mar 83 p 9]

CSO: 4600/1888

TEHRAN ARABIC RADIO COMMENTS ON SHULTZ REMARKS

GF300500 Tehran International Service in Arabic 1800 GMT 29 Apr 83

[Unattributed Commentary]

[Text] The U.S. Government, through its Secretary of State George Shultz, has called on the Lebanese Government to make concessions to the Israeli enemy to make way for signing a bilateral agreement between Lebanon and Israel whereby the Zionist forces will withdraw from Lebanon.

George Shultz did not disclose the kind and quantity of concessions he is asking for, but left the details to be sorted out during his talks with the Lebanese Government which are scheduled to be held in Beirut in the next days.

The unknown which Shultz left hanging without defining its kind or quantity prompts us to question the results which the visit will yield--a visit for which the U.S. Government has made preparations that are commensurate with the importance of the task that is being implemented by the engineer of U.S. foreign policy.

The Lebanese Government has felt that it could not do all it wants, for there is a people and there are revolutionary vanguards who have an effective presence on the Lebanese arena. Any decision or agreement that clashes with the people's will be invalid because the people are strong enough to express their will--even though this may take the form of the sound of explosions. The United States and Israel want Lebanon to sign with Israel an agreement of capitulation and subjugation whatever the cost, and to allow the Zionists to tamper with its territory and to leave its border open to Israeli goods and allow Israel to set up observation posts in southern Lebanon and allow Israel to keep the radar station it set up on al-Baruk.

As for the Lebanese masses, their demands are clear: They reject any Israeli presence on Lebanese territory. They refuse to sit down at the same table with the enemy, let alone signing an agreement with him. The Lebanese masses are accustomed to turning this desire into a tangible fact. This is evidenced by the declared battle which these masses have launched against the multinational U.S., French and Italian forces--a matter that has prompted the imperialist circles to reconsider the continued presence of these forces in Lebanon. Thus the Lebanese Government, and all imperialist quarters, are facing a difficult choice: On the one hand the United States is asking it to reach an agreement

with the enemy, while on the other hand it is aware that such an agreement will constitute a turning point in the uprising of the Lebanese people who will restore the situation that existed 7 years ago or even a worse situation.

Shultz' call for making concessions confirms the overwhelming U.S. desire for Lebanon to reach an agreement with Israel. However, the choice is difficult because it will be confronted with great resistance and defiance by the masses, not only in Lebanon, but also in the Muslim world. The Muslim peoples have tasted the bitterness of amputating Egypt from the Muslim world and will not allow the amputation of another part. Thus the Lebanese Government has found itself facing a dilemma which it cannot resolve except by embarking on an adventure that has two directions: Either to impose on the people a law of terrorism and suppress any voice that rejects capitulatory plans and cut off any hand that attacks the authorities, or deceive public opinion and the people by various means in which it changes the facts and depicts occupation as a sweet matter-- just like what Zionist agents in Lebanon and those who call the tune of the occupiers are now saying: That the Zionists have come to save Lebanon. Falsehood and charlantry can distort the facts and turn an enemy into a friend and a friend into an enemy. However, can falsehood convince an entire people well-armed with awareness and a strong will?

These two courses to which the Lebanese Government has to end its dilemma and find a solution will not achieve anything for it. Perhaps it will agree with Shultz on one of these two courses. However, the result will be the same. The resort to the language of terrorism with the people will be confronted with the language of resistance. If the Lebanese authorities believe that they will be able to reach an agreement with the enemy after they control the Lebanese man-in-the street then they will have governments. The Lebanese authorities have only one choice, namely the choice of a total boycott of the enemy.

The Lebanese Government should have asked the enemy to compensate it for its aggression against Lebanon, and not pay to the enemy the price of the crimes which he committed against Lebanon and its people.

CSO: 4604/22

'ZIONIST-PHALANGIST ALLIES' BLAMED FOR U.S EMBASSY EXPLOSION

Tehran TEHRAN TIMES in English 20 Apr 83 p 1

[Article by Ali Zulfiqari: "Plots Between Pals"]

[Text] The recent explosion at the U.S. embassy in Beirut has provided the U.S. government and press with a new pretext for launching a venomous propaganda campaign against Islam and the global Islamic movement. The superpower media are attempting once again to outline their false and distorted stereotype of Islam and Moslems as symbols of violence and aggression.

We don't know what hands are involved in the explosion of the U.S. embassy. But experience tells us that the nature of incident is similar to what the Zionist allies of the U.S. and the Phalangist friends of Israel have been creating throughout their atrocious careers. Moreover, it is natural for the super-atrocious regimes such as exist in Palestine and Iraq to hatch plots against their own allies and friends. Saddam Yazid of Iraq has recently provided an open example of such a case. By launching missile attacks on Iranian oil wells in the Persian Gulf and thereby polluting its waters, Saddam has tried to put pressure on the Islamic Republic and exploit its humanitarian concern for the neighbouring Moslem countries of the Gulf, at the cost of his Arab allies who have channelled billions of dollars of aid into Saddam's adventurous attack against the Islamic Republic of Iran.

That the explosion of the U.S. embassy was an action of the Lebanese people who consider the U.S. responsible for the Zionist aggression and occupation and the sorry state of affairs of the country, seems quite remote. Because if the Lebanese Moslems saw any justification in such attacks, they would have done it long ago at the peak of Zionist bombardment of Beirut under the actual auspices of the U.S. administration. If such acts were considered proper by Islamic revolutionaries, the Iranian Moslem students would have done it instead of feeding U.S. spies and saboteurs for more than a year and permitting them to return unharmed to their country.

The present situation in Lebanon and conflict in U.S. and Zionist interests and strategies may offer a clue to the identity of hands involved in this gruesome incident. Since last few months, the Reagan administration has come to rely on the Arab puppets for the success of its strategy in the Middle East. The U.S. is becoming conscious that the Zionist state has outlived its usefulness for the interests of America. The U.S. administration seems to have

reached the conclusion that the Zionist state has not only ceased in its utility as an agent for carrying out the superpower's designs in the Middle East, but has become rather a hurdle in the way of a durable imperialist "solution" of the problems of the Middle East.

Since its continued occupation of Lebanon, the Zionist state has been looking for a pretext to keep its forces in Lebanon and convert it into a Zionist colony. After the explosion, the former commander of the Israel's military academy said that "the only way to stop violence in Lebanon is to partition the country in Moslem and Christian sections." The meditated "partition" of Lebanon is no more than a Zionist ploy for acquisition of Lebanese territories. Moreover, it is indicative of the will of the Zionist-Phalangist collaborators to capitalize on the bloodshed of Americans killed in the Beirut explosion. There are all signs to indicate that the bombing is only to the benefit of the Zionists and their Christian clients in Lebanon.

The Zionists killed Bashir Gemayel in a bomb explosion and then instigated the Phalangists to take their "revenge" and murder thousands of Palestinians in the Sabra and Shatila camps. There is no reason to believe that the filthy Zionists will not carry out similar dirty tricks against the Americans to create a more opportune situation for themselves in Lebanon. Such moves are part of the game in the eyes of such as Zionists, who are the true descendents of Adolf Hitler and Nazis.

There are also strong reasons to believe that the Moslems of Lebanon are not involved in this incident as the Zionist and American press would like the world to believe. Though the Moslems of Lebanon and Palestine have been reduced to the most pitiful condition by the Zionists and their American peers, they know that victory will not come through such unmanly explosions of enemies' offices. They have learnt from the Islamic Revolution of Iran that blood of martyrs is more effective and deadlier a weapon than bullets, grenades and bombs. This is also the message of Imam Husain (A.S.), the leader of martyrs, who brought victory to Islam by his martyrdom and broke the enemy's sword by his sacred blood.

Islam is a religion of sublime goals and ends. These ends are only attainable through the most sublime of means. The Beirut bombing does not bear the imprint of the character of Moslem revolutionaries who consider martyrdom as the means of victory and not indiscriminate massacre of men, which is the practical philosophy of the Zionists, and Phalangists.

The explosion of the American embassy at Beirut smells of the hands of neo-Nazis and the Americans should look for their executioners among the ranks of their Zionist and Phalangist allies.

CSO: 460C/577



RAJAVI SAYS NCR IS ONLY ALTERNATIVE TO KHOMEYNI

London IRAN PRESS SERVICE in English No 117, 14 Apr 83 p 8

[Text] In a recent message Mojahedin-e-Khalq and National Council of Resistance leader Masoud Rajavi said the fact that any of the 17 groups which make up the NCR can exercise a veto over any decision made by the council was a democratic characteristic which provided clear evidence of the fact that in tomorrow's Iran and after Khomeyni's downfall equal rights would be established by the NCR. This would pertain for men and women, or various religious and ethnic minorities.

Rajavi also showed some sensitivity to attacks by critics of the NCR. He said that some interests among the exiles were employing all means to oppose the NCR. He did not name these, but said they were people who had not played any part in the people's resistance or rendered any moral or material support to it.

Rajavi praised the Union of Muslim Iranian Students Societies outside Iran for their unremitting efforts and tireless campaigning to expose Khomeyni's crimes. Through them the world had become familiarised with the Iranian people's resistance. Increasing repression and terror would only have a negative effect for Khomeyni and even the help of foreign backing would not save his regime. Rajavi promised to release documents soon that would show the extent of that foreign backing. The Mojahedin would soon release documents to prove this, he said. It had also issued documentary evidence of the regime's officials intention to keep the war with Iraq going.

CSO: 4600/574

MINISTER DISCUSSES INTERNAL ISSUES DURING INTERVIEW

Tehran ETTELA'AT in Persian 12 Apr 83 p 14

[Interview with Minister of the Interior Hojjat ol-Eslam 'Ali Akbar Nateq-Nuri; date and place not specified]

[Text] Hojjat ol-Eslam 'Ali Akbar Nateq-Nuri, the minister of the interior, in an exclusive interview with ETTELA'AT, spoke about his recent meeting with Imam Khomeyni, the headquarters for tribal mobilization, the new traffic plan, the new national administrative divisions plan, the headquarters to follow up the imam's eight-point decree, the establishment of security in the cities, the new decisions concerning the reconstruction and construction of war-stricken regions, the mid-term Majlis election and the reason for Haraz Road remaining closed. The text of this interview follows.

Meeting with the Imam

In regards to the meeting with the imam, the minister of the interior said: Long ago, it was decided that the Guards Corps brothers of the revolution committees should have an audience with the imam both to meet him in person and to receive certain directives.

He added: In any case, the opportunity arose and a group of the Guards Corps brothers of the revolution committees was given an audience with the imam. Of course, before gathering in the Hoseyniyyeh, we provided Haj Ahmad Aqa with the statistical information on the activities of the committees during the period 21 March 1982-20 March 1983 to be presented to the imam.

The minister of the interior said: In the Hoseyniyyeh, first I spoke briefly about the activities of the committees on the fronts and borders and about the very good project they have been involved in regarding the counterrevolutionaries in the country, which included the issue of landlord and tenant, which dissolved the organizations of the minigroups, especially the hypocrites in the cities, to a large extent. Then, his eminence the imam spoke

about unity among all strata, especially the armed forces. He issued directives in regards to the unity of the word among the Guards Corps, the committees and the mobilization forces and said that the enemies will be impotent if we are united; but if, God forbid, the unity of the word is abandoned and the committee guards say, "We, the committees," or the Guards Corps members say, "We, the Guards Corps," and the army says, "We, the army," we will be vulnerable. But, if we say, "We, the Muslims," then no force can do anything.

#### Tribal Mobilization Headquarters

Concerning his responsibility in the tribal mobilization headquarters and the future programs in this area, the minister of the interior said: After the decree of the prime minister was announced and presented on an organized chart, we established this headquarters at the office of the political and social deputy minister. Later, the necessary instructions were given for the preliminary tasks.

The minister of the interior added: Concerning the tribal mobilization headquarters, a plan was prepared involving seven commissions. In the preliminary plan, the technical, specialization, tribal issues, legal affairs, provincial affairs and provincial organizations committees are explained. This plan also considers cultural, political, Islamic, statistical and research, livestock, pastures, animal husbandry and veterinary, tribal cooperative, developmental and welfare issues. God willing, it has been decided that this plan will be studied in a session to be held soon.

Nateq-Nuri said: In accordance with the instructions of the prime minister, the organizations and institutions to be members of the headquarters must be invited. God willing, in that gathering, we will arrive at particulars to implement the plan.

#### New Traffic Plan

Concerning the new traffic plan, the minister of the interior said: The preliminary plan was presented to the prime minister consisting of three parts: First, changing the working hours and the comings and goings of government employees; second, using service vehicles for the comings and goings of the government employees; and third, changing the hours of the plan, projected to be from 6 am to 3 pm.

He said: This plan was approved by the prime minister, but because the time change for the activities of employees was under discussion in the Cabinet, this plan was suspended. However, another part of the plan has been implemented by the City Hall since Saturday. The hours for the traffic plan were set for 6 am

to 3 pts. Another change was also made in the plan, which was: In the past, persons who entered illegal areas would be fined only once. However, based on the new plan, whenever an official encounters a violating driver, he will fine him.

#### Plan for National Administrative Divisions

Concerning this new plan for administrative divisions, Hajjat ol-Islam Moteq-Nuri said: The first round of discussions concerning this plan has been completed and the general points have been ratified in the open session. The plan has been sent to the internal committee and the councils for the second round of discussions. Presently, the internal committee is engaged in its second round of discussions.

#### Headquarters for Following Up the Imam's Decree

Concerning the headquarters for following up the eight-point decree of the Imam and the implementation of the decree, the minister of the interior said: Thus far, all our successes have been in keeping with the decree. In other words, the Imam has issued the decree and our nation, the authorities and the executives in the judicial branch as well as the Prosecutor's Office, the Shar' magistrates and also the executives in the executive branch, from the time the Imam issued the decree, have controlled themselves to a great extent in order to obey the Imam.

He said: The issuance of the Imam's decree played a significant role in creating social, job and economic security.

The minister of the interior added: Following the decree, the headquarters was established and delegations were sent to the provinces through the central headquarters. The members of these headquarters come from the judicial and executive branches and the clergy. The minister of the interior continued: These headquarters investigate complaints in the provinces. At times, up to 5,000 complaints have been investigated in one province, most of which were not related to the decree. Finally, I must say that some of these complaints were investigated on location and some in the central headquarters.

The minister of the interior added: Of course, if the complaints and accusations are false, the accused is exonerated and if they are correct, the case is sent to the proper authorities. On the whole, the headquarters has been successful and the Imam has emphasized in his speeches that the headquarters must follow up the issues decisively.

## Borders and Security of Cities

In regards to the borders and the security of the cities, the minister of the interior said: Concerning the borders, fortunately, this year, the Majlis has been kind enough to allot a separate budget and a headquarters which was previously established by the Security Council has actually begun its work. Hopefully, during the period 21 March 1983-20 March 1984, we will be able to invest more in this area. Presently, the forces of the committees have also gone to the borders and are carrying out their duty. With the implementation of this plan, internal control, security and the prevention of smuggling will increase.

Also, we have certain internal projects to increase coordination among our forces.

## Reconstruction of War-Stricken Regions

In connection with the construction and reconstruction of war-stricken regions, the minister of the interior said: The first session of this headquarters was held this year before several ministers and the problems of the period 21 March 1982-20 March 1983 were discussed. It was decided that the representatives and deputies of the ministries should participate in these meetings in order to eliminate the problems to ensure that this year, God willing, there will be no obstacles to the implementation of our work. Also, it was decided that the utmost attention should be paid to the villages of the war-stricken regions, providing facilities for them.

In connection with the reconstruction of Khorramshahr, I must say that this city was greatly damaged and has fallen to ruin. For this reason, based on a plan which was implemented by Mazandaran Province in Susangerd, it was decided that the cost of the reconstruction of Khorramshahr should be divided among the Tehran zones.

## Holding Elections

Concerning holding mid-term Majlis elections, the minister of the interior said: In order to hold mid-term elections in six cities, thus far, four electoral zones have sent in their documents. When the documents of the two remaining zones arrive, God willing, we will hold the elections.

The minister of the interior said: Remember that we must carry out the mid-term elections six months prior to the end of the first term of the Majlis and, God willing, we will hold the elections soon.



It should also be pointed out that the elections in five electoral zones and six cities--Lenjan, Piranshahr, Sardasht, Tavalesh, Bakhtaran, and Ardekan of Yazd--will be held soon.

#### Haraz Road

In connection with the Haraz road and the reason for its being closed, the minister of the interior said:

The reason for the Haraz road being closed is the continuous landslides there, especially since the earthquake, when parts of the mountain were shaken but have not yet fallen. It is likely that sound will cause these rocks to fall. For this reason, it has been closed to date. Of course, the clearing of part of the road is also very difficult because of the continuous landslides, which is why, so far, several workers of the Ministry of Roads have been injured along this section.

10,000

CSO: 1640/195

PRIME MINISTER MUSAVI DELIVERS SPEECH IN ESFAHAN

LS291842 Tehran Domestic Service in Persian 1630 GMT 29 Apr 83

[Excerpts] Prime Minister Mr Mir-Hoseyn Musavi, who is currently visiting the province of Esfahan, today took part in Friday prayers ceremonies, which included the funeral of the pure bodies of eight soldiers of Islam. Before the sermons he paid tribute to the devotion of the martyr-nurturing people of Esfahan.

Mr Musavi considered that the unity and alliance of all international organizations in defending Saddam's Zionist regime and in distorting the Islamic revolution for the people of the world stems from their fear of the revolution and of the influence of the Islamic Revolution's message.

Referring to the Islamic Republic's support for the oppressed the prime minister said: The revolution's movement is clear and it is based neither on support for capitalists who are attached to America, now on economic dependence, but it aims at the freedom, emancipation, and rights of society's oppressed.

Referring to the issue of inflation, the prime minister said that the government is compelled to combat this inflation. Although we know that salary earners are in a difficult position, with reliance on God we will pass through this difficult stage.

In conclusion, declaring the government as being in the service of the people, he said: In reality, if anything is done in the country it is done by the people themselves, and the fact that the people are resisting difficulties today indicates our nation's divine value. It is for this reason that America feels that the Islamic revolution is crushing through borders, and that the interests of the United States and its lackeys in the region are in danger. It is with this feeling that the United States plots conspiracies against the Islamic revolution.

CSO: 4640/200

## FIRST FIVE-YEAR DEVELOPMENT PLAN (1983-1987) PUBLISHED

Tehran IRAN PRESS DIGEST in English 12 Apr 83 pp 5-6

[Text] 7.2 Investments:

As it is already mentioned, the share of investment in gross national product will be increasing (from 17.7 to 25.8 percent) and its growth rate is estimated to be 19.6 percent. Table 10 shows the investments classified by government and non-government sectors. The government investment share in total investments shall remain at about 60 percent during the period. In other words, the government sector shall have relative importance in advancement of economic-social development. The reason to exercise such a policy is the financial powers of government on the one hand and the country's requirements to heavy investments in infra-structural and heavy industries.

7.3 Net Exports and Services:

Another part of expenditures of gross national product is related to net export of goods and services. Net exports mean total exports (including oil, non-oil products and services) less total imports. The estimated net exports and services will be a total of 800 billion rials during the five years of first plan, a figure which is considered in fact as strategic reserves of foreign exchange amounting to about ten billion dollars.

7.4 Changes in Stock Inventory:

The stock value may be increased in two ways. First, Part of stock are those goods produced in the past and appraised at old prices and so they should be re-evaluated at current prices. In such cases the change in stock value is connected with conformity of prices.

Secondly, the stock value will be changed if the physical quantity of stocks are changed in an economic system at fixed prices. An economic system is required to have some stock reserves of goods because of different reasons. First, manufacturers and production firms are generally storing their raw materials for several months consumption as reserve. Such units are also holding half finished products which should undergo processing stages. The Government and non-industrial producers (agriculture, construction) also need some stocks for their working plans. The rule does not exclude the business

men and retailers. Principally, it can be stated that adequate stocks of reserves would generally cause lack of interest to speculate and hoarding. On the contrary, the enthusiasm to speculation and hoarding will increase when the production and access to goods is harmed or interrupted due to economic problems or when the stocks are depleted.

The country's stock of goods has been depleting during the post-revolution years due to different problems including economic embargo, and occasionally foreign exchange reserves. As the national accounts show, the stock reserves has been reducing during the years 1356, 1357 and 1358 to 305.5 668.3 and 70.1 billion rials respectively (at current prices). The stock reserves has increased by 12.6 billion rials during 1359. It is for this reason that an increase in stock reserves of raw materials, intermediate materials, parts and goods has been included in the first plan. Such increase is planned to offset the drop in stock reserves during the recent years.

There will be a large increase in stock during the initial years of the plan (428.1 b. rials in 1362), however it will be reduced gradually as the stocks are built up in a way that it is estimated the stocks in 1366 will amount to 225 b. rials.

Table No. 11

Gross National Product Estimated by Final Expenditures

(Billions of Rials at 1361 fixed prices)

	1362 B.Rls. <u>Grth</u>	1363 B.Rls <u>Gr.</u>	1364 B.Rls <u>Gr.</u>	1365 B.Rls <u>Gr.</u>	1366 B.Rls <u>Gr.</u>
1. Private Expenditures.	6129.5	6603.1	7121.0	7676.4	8275.2
2. Government Expenditures.	2314.4	2398.9	2486.7	2577.3	2671.5
3. Gross Investments	1931.3	2293.8	2735.0	3280.2	3951.0
--Government	(1146.9)	(1371.8)	(1643.0)	1973.1	(2370.6)
--Non-government	(784.4)	(922.0)	(1092.0)	(1307.1)	(1580.4)
4. Net Exports of goods and services.	(118.7)	136.5	156.9	180.5	207.5
5. Change in Stock Value	428.2	443.9	410.0	331.1	225.9
Gross National Product at market prices	10922.1	11876.2	12909.4	14045.5	15331.1

Table No. 12

## Share of Final Expenditures Figures in Gross National Product

(percent)

	<u>1362</u>	<u>1363</u>	<u>1364</u>	<u>1365</u>	<u>1366</u>
1. Private Expenditures.	56.1	55.6	55.2	54.7	54.0
2. Government Expenditures.	21.2	20.2	19.3	18.3	17.4
3. Gross Investments	17.7	19.3	21.2	23.3	25.8
--Government	(10.5)	(11.6)	(12.7)	(14.0)	(15.5)
--Non-Government	(7.2)	(7.8)	(8.5)	(9.3)	(10.3)
4. Net export of goods and services.	1.1	1.2	1.2	1.3	1.4
5. Changes in stock value	<u>3.9</u>	<u>3.7</u>	<u>3.1</u>	<u>2.4</u>	<u>1.4</u>
Gross National Product at Market Prices	100	100	100	100	100

CSO: 4600/565



TEXT OF 1983 BUDGET ACT 2 PUBLISHED

Tehran IRAN PRESS DIGEST in English 12 Apr 83 pp 7-9

[Text] 1362 General Budget Act - 2

Note 7.

(a) Utilisation of credits included in Item No. 503001 (unforeseen expenditures) part IV of this act will be possible upon recommendation by the Plan and Budget Organisation and council of ministers approval. Its expenditure will be subject to regulations of this act and other government's general regulations. The council of ministers is authorised to allow the operating agencies of special financial and transactional regulations to use the allocated credits out of the above item upon the special regulations of agency concerned.

(b) Payment orders of credits covered by this Note shall be issued by authorised authorities in the case of government ministries and agencies and the request for funds shall be made by the comptroller of user agency. In the case of other operating agencies who lack comptrollers, the issuing authority of payment orders and request for funds as the case may be, or in general will be appointed by the council of ministers

(c) Up to the amount of two billion rials (2,000,000,000) of the credit covered by this Note may be used on essential expenditures as determined by the council of minister without an obligation to comply with Public Accounts Law and other general regulations of government. The credit funds covered by this paragraph will be kept in separate accounts for each operating agency in the Central Bank of Iran or Bank Melli Iran and its utilisation is authorised when signed jointly by Prime Minister or the minister concerned or the highest authority of operating agency or authorised officials representing them together with the comptroller concerned. The vouchers of such expenditures will also be charged to final expenses when signed by the same authorities and the comptroller concerned as the case may be.

(d) It is authorised that the amount of one billion five hundred forty nine million three hundred twenty four thousand rials (Rls. 1,549,324,000) be used out of the credits covered by this Note upon a policy to be recommended by the Ministry of Culture and higher education, to be confirmed by the Civil

Administration and Personnel Organisation and to be approved by council of ministers towards adjusting the personnel pay status of hospitals affiliated with universities schools of medicines in different fields and such group of personnel of health and medical units of Ministry of Health who are not subject to social security act, upon the pay status of personnel of hospitals affiliated with the Ministry of Health.

Note 8. - In order to cover the cost of water and power [word illegible] used by low-consuming subscribers, of water and power organisations affiliated with municipalities and the private sector up to the amount exempted from payment of water and power charges, by virtue of the water and power charges exemption act as amended approved by the Revolutionary Council of Islamic Republic of Iran on 18.8.1358 and its subsequent amendments, the government is authorised to offer to Ministry of State the amount of one billion rials (Rls. 1,000,000,000) out of credit Item No. 503010 part four of this act so that the required funds can be offered to organisations concerned upon presentation of vouchers and documents to the said ministry.

Note 9. - It is authorised that:

(a) The current credit included in Item No. 503041 of this Act be allocated to finance the requirements of armed forces of Islamic Republic of Iran in connection with the imposed war as recommended by the Plan and Budget Organisation and to be approved by council of ministers.

(b) The expenditure of any amount of appropriations covered by this Note allocated to execution of agreements of Ministry of National Defense and Ministry of Islamic Revolution Guards Corps shall be authorised upon provisions of paragraph (a) Note 66 of this Act and its operating procedures.

(c) The amount of one hundred billion rials (Rls. 100,000,000,000) development appropriations (fixed investments) of the said item which is allocated exclusively to reconstruction and renovation of war-stricken areas shall be committable and payable upon exchange of the required agreements with Plan and Budget Organisation based on allocation of appropriations.

The expenditure of this appropriation shall be excluded from applicability of Public Account Law and other general regulations and shall be subject to procedures to be recommended jointly by the Plan and Budget Organisation and the Ministry of Economic Affairs and Finance considering the provisions of this paragraph and to be approved by council of ministers.

(d) The government shall have to spend twenty billion rials (Rls 20,000,000,000) of appropriations covered by paragraph (c) above on reconstruction of palm groves and agriculture.

(e) The government shall have to submit a semi-annual report of operations mentioned in this Note to the Consultative Assembly.

Note 10.

(a) It is authorised that the amount of one hundred sixty three billion rials (Rls. 163,000,000,000) of appropriations included in Item No. 503044 (N.I.O.C.

to finance the cost of purchase of oil products required by the country, commitments and assistance) Part four of this Act to be offered to National Iranian Oil Company to exclusively finance the purchase of oil products from abroad upon recommendation of Ministry of Oil to be approved by council of ministers.

The NIOC shall deposit the funds received out of the appropriations covered by this Note in a special account to be opened with Central Bank of Iran and shall transfer the balance of the said account to public revenue account by the end of 1362.

(b) The Central Bank of Iran shall have to sell to the said company the foreign exchange required to finance and purchase the products covered by this Note upon the above mentioned approved plans against the NIOC's request and without any further procedures.

Note 11. - The Plan and Budget Organisation is authorised to appropriate in co-operation with Ministry of Economic Affairs and Finance the cumulative and expenditure credits listed in Item No. 503048 (customs duties and charges, commercial taxes and commitments connected with imported goods and supplies for ministries, government institutes and government companies) part four of this Act for the operating agencies concerned as the case may be.

Government companies shall have to finance and pay the appropriations required for payment of Customs duties, charges, and commercial taxes of their imported goods for their current operations and development plans out of local sources and development plans respectively. Allocation of appropriations out of the above items to government companies who have been using the cumulative and expenditure appropriations included in the budget act during 1361 may be authorised only when it will not be possible to finance the required appropriations out of their local sources and development plans, as determined by the Plan and Budget Organisation and the Ministry of Economic Affairs and Finance.

Note 12. - The Ministry of Education and Training shall have to distribute among different provinces and recommend to Plan and Budget Organisation the credit included in Item No. 503051 part four of this act titled "Ministry of Education and Training, Recruitment of Educational Personnel required by schools" upon plan and cost items (exclusively Items 1 and 2) by the end of Mordad 1362 at the latest so that it may be added to current appropriations level of provinces departments general of education upon approval of plan and budget organisation.

Note 13. - The Ministry of National Defense is authorised to transfer the amount of seventeen billion four hundred eighty three million and five hundred thousand rials (Rls 17,483,500,000) the 1358 bonus appropriated by the government out of appropriations Item No. 502012 of 1358 Budget Act, to appropriations of Article 2 of Project No. 20101000 (military personnel) Item 111500 of the said year's budget act and to charge the vouchers to the said appropriations.

Note 14. - The appropriations included in Item 114013 (Ministry of Islamic Guidance, Public Expenses) Part four of this Act is considered exclusively for overseas publicity affairs and will be excluded from the applicability of Public Accounts Law and other general regulations and shall be spendable upon a procedure to be recommended by the Ministry of Islamic Guidance and to be approved by the Council of Ministers.

Note 15. - It is authorised that:

(a) The amount of two billion rials (Rls. 2,000,000,000) appropriations listed in item No. 129003 part of four this act be offered gradually to each of the provincial regional health organisations considering their needs and operating facilities, in compliance with Article (9) of administration procedure Act of Health, Medical and Training Units of Ministry of Health (ratified 12.10.1358 by Revolutionary Council of Islamic Republic of Iran), to be recommended by Ministry of Health and approved by Plan and Budget Organisation, so that it can be spent independently and separately from their approved budget based upon financial and transactional regulations of Social Security Organisation.

(b) A further two billion rials (2,000,000,000) of the said Item's appropriations is to be distributed and spent as prescribed in paragraph (a) above against the private revenues earned by each of the regional organisations of provinces created exclusively in connection with compliance of administration procedures act of Health, Medical and Educational Units.

(c) The utilisation procedures of appropriations given in paragraph (a) above will be made jointly by the Ministry of Health and the Plan and Budget Organisation, and the procedures to make and keep the accounts concerned shall be established and notified by the ministry of Economic Affairs and Finance.

CSO: 4600/565

## RAFSANJANI SAYS 'WE WILL ATTAIN OUR GOALS AT ANY COST'

Tehran ETTELA'AT in Persian 14 Apr 83 p 3

[Text] Last night a session of the Supreme Defense Council was held, chaired by Hojjat ol-Eslam va ol-Moslemin Seyyed 'Ali Khamene'i, president, and attended by Hojjat ol-Eslam 'Ali Akbar Hashemi-Rafsanjani, Majlis speaker, Mir Hosseyn Musavi, prime minister, Hojjat ol-Eslam Seyyed Ahmad Khomeyni, Gen Zahirnezhad, army chief of staff, Dr Velayati, minister of foreign affairs, Col Salimi, minister of defense, Hojjat ol-Eslam Rohani, Kamal Kharazi, Mohammad 'Ali Nazaran, and a group of army commanders.

In an interview after the meeting concluded, Hojjat ol-Eslam Rafsanjani, spokesman for the Supreme Defense Council, explained the matters examined in the Supreme Defense Council session, and described the results of the first phase of the Wal Fajr operations.

Concerning the matters raised in the council session, he said: In this session we studied a report about the first phase of the Wal Fajr operations, the repeated Iraqi rocket attacks on an oil well in the Persian gulf, and the country's general defense situation.

Hashemi Rafsanjani stated that the operations' results were good in regards to the extent of the area liberated and Ba'thist enemy casualties, and said: We liberated a strategic border zone, the major part of which is on our soil, and in which there are strategically very important hills, oil wells which belong to us, and a little bit of Iraqi soil, including a shared oil shield, a guard station, and areas around Jabal Harrin.

He added: This area is extremely important, and the Iraqis intended to remain there forever. If in the future, against our wishes, matters proceed to negotiation, and we had not liberated this area, the Iraqis would not have readily given up the area.

Hashemi said: The area liberated is sensitive and relatively extensive, including 150 square kilometers of our soil and 30 square kilometers of Iraqi soil. He added: The enemy suffered crushing blows in this operation, particularly in the little drives they made. This is the interesting point about battles in this region, that is, when we are attacking we must suffer casualties in order to break their line and move forward, and that when we



have attained the desired point the enemy counter-attacks in order to regain his positions, and that is the time the enemy suffers great casualties.

Hashemi stressed that the Iraqi forces now do not have the power to approach our forces, and thus resort to long-range fire. Even when units are ordered to attack there is fire behind them so that if they try to turn back they will be killed. While he stressed the very good results Islam's soldiers achieved during the enemy's drives, he said: We are not limiting ourselves in any way, and we will continue our struggle until we achieve our rights.

Rafsanjani then rejected Iraq's claim that it has bottled up the attack of Islam's forces, and when asked about Iraq's aims in its rocket attack on the Now Ruz oil field and its recent attack on the Ardashir oil field which has polluted the Persian Gulf, he answered: Perhaps the Iraqis wanted to raise a ruckus throughout the world by this action and thus bring political pressure to bear on us to compel us to accept a ceasefire. It is obvious from their words that they are not satisfied with a ceasefire in that area, and want a ceasefire on all the fronts. Rafsanjani then termed the worsening of relations with countries on the southern coast of the Persian Gulf as another goal of the Iraqi regime in taking this action, and added: Perhaps the Iraqis thought that this pollution would damage us more, but fortunately the gulf's natural current was such that we suffered no other damage than the oil leakage. However, we accomplished all our efforts to repair the wells, and we even gave up several martyrs to do this. Now we are sincerely desiring the quickest possible repair of this well, and we will act quickly as soon as the area is secure. However, Iraq's action the night before last showed us their action was not accidental and that they have had a detailed plan. When they saw that the area was again becoming dangerous to them they re-attacked. However, our forces were quickly able to control that well, and the Iraqis fortunately did not attain their goal. They lost a patrol boat, and we repaired the platform they had damaged.

He added: It is apparent that the Iraqis intend to bring more pressure on their allies to pressure us, or to create an international ruckus through them. But we have said our piece. We have no interest at all in polluting the water, rather our interests compel us to prevent pollution of the water.

Concerning the relative silence of Iraq's regime's authorities on the recent operations and their threats of air attacks on Iran's cities, the Majlis speaker said: These threats are nothing new. Anytime the Iraqis have been able to, they have attacked our cities with rockets and planes, and they have also used the hypocrites' infiltrative forces in this area. Thus, at the same time that we announce our and our nation's readiness to confront these events, we must make the reminder that if we had wanted to play tit for tat, we could have easily done so, since all of Iraq's eastern cities are within our artillery's range and we could have destroyed them. While Iraq can carry out attacks with rockets or planes on Iran's cities, both of these means are expensive and involve more casualties. Thus we can much more easily hit Iraq's factories and cities. However, we have no such intention unless we come to the point of making a new decision. Of course we will regret the repetition of such barbarous actions by the Iraqis.

regime. Our nation should know that these sorts of actions by the Iraqis do not have the same dimensions as they did previously.

Concerning the continuation of the Wal Fajr operations until the Islamic Republic of Iran gains its goals, he made the reminder: Until we achieve our demands, namely the enemy leaving our homeland's soil, getting reparations, punishment of the aggressor, and the return of Iraqi refugees, we cannot define any temporal or spatial limit to our operations. In fact, we must continue the operations to the extent necessary to achieving our rights.

He added: Each operation that our combatants carry out we want the enemy and his supporters to take seriously so that he becomes ready to talk and grant our demands.

In conclusion Rafsanjani stressed: Therefore it is possible that they be given more chances. This is such a chance. This is tied to our war policy in the Supreme Defense Council. In any case, our limit is gaining our rights.

9597

CSO: 4640/186

## FIRST GROUP OF PHYSICIANS LIVING ABROAD RETURN HOME

Tehran KEYHAN in Persian 18 Apr 83 p 22

[Text] KEYHAN Cultural Service--The first group of committed Iranian physicians living abroad, who were invited to live and serve in Iran by the office for recruiting committed, specialist manpower, visited and spoke yesterday afternoon with Dr Sheybani, Tehran University Administrator.

During this visit, the committed Iranian physicians, most of whom had returned from America and Europe, while expressing their pleasure with having returned from Iran, discussed their problems in foreign countries and Iran's necessary facilities. During his opening welcome, Dr Sheybani said: After the victory of the Islamic revolution, our first task was to make the universities active in taking steps to advance Islamic aims. He told the physicians: As in the past, Tehran University will be the mother university. We hope the situation in the universities will be such that not only will we have no need to send patients abroad, but that we will also be able to treat patients from other countries. In order to do this we must have able specialists; in the course of handling this matter we will put whatever kinds of facilities we can at your disposal. He added: Even though a lot of time has not passed since the triumph of the revolution, our situation is very good and we have enough facilities to meet with your satisfaction.

Then Dr Reza Maknun, Deputy Minister of Culture and Higher Education welcomed the group and said: The movement of solidarity and service to our nation will begin with your arrival. I hope, through effort and endeavor, that we will all be able to revive the glory which Iran has always had in science, especially during the time of Islam.

Then Abu ol-Qasem Mahdavi spoke on behalf of the office for attracting specialist manpower, saying: The formation of this office, which operates under the direct supervision of the Prime Minister, demonstrates the Islamic Republic's desire for the return of Iranian specialists living abroad. Contrary to the negative propaganda of the past, it is our desire that specialists return to the country, and we are interested in putting a stop to the brain drain. For this purpose, steps have been taken on both the material and spiritual planes to remove obstacles. On the material plane, one may point to the creation of jobs, the authorization of repeated entry and

exit from the country, and authorization to send out currency for those who have foreign wives; on the spiritual plane, steps have also been taken to deal with certain problems that have been obstacles to the return of physicians to the country.

He added: It must be noted, of course, that some of these problems were natural results of the nature of the revolution; some were also problems in other areas, which will be forgiven by our dear physicians.

In conclusion, Mahdavi added: We hope that the physicians who come to Iran will tell us about the problems so that we can make plans to deal with them and take advantage of their presence in Iran from now on. We also hope that the relationship between physician and patient will reach a stage where the physician does not regard himself to be cut from a different kind of cloth, and that the patient will feel closer to the physician.

Then each of the physicians expressed his views concerning the recruitment of specialist manpower from abroad. Dr Sana'i said: So far 287 physicians in America have accepted Iran's invitation and will be returning to Iran in groups of 50.

He said: The second group of physicians will be in Iran during April and May, and the following group, which will have more than 118 people, will be in Iran during June and July. Among them are experts in various fields. Dr Bizhan, another of the physicians, said: A great many Iranian physicians living in America want to return to their own country; of course they do not have high expectations. None of us have forsaken our country. He added: We will all work hard for our country. We want nothing other than the greatness of this country. Now that we are living in a Muslim country we can take advantage of Islamic teachings and profit from the gifts of God, and know that, God willing, we will do this. He said: We hope that the arrival of the first group of Iranian physicians will encourage others to return to Iran. Dr Mo'tamedi-far, who was in America for 5 years, said: When I learned that Iran was accepting physicians living abroad with open arms, I returned to Iran in order to proclaim my religion to my country. Dr Rezayani, a surgical specialist, while thanking the officials who helped facilitate matters for the return of Iranian physicians, said: All of this we are seeing is like a dream; whatever we are saying is sincere and from the heart. He added: When I heard that Iran had invited Iranian physicians to return, I immediately wanted to make arrangements for my return to Iran, and I insisted on being in the first group. Another of the committed physicians, a pharmaceutical specialist, said: I am prepared to manage a pharmacy in Kerman, which is one of the cities in which it was suggested that I work, and meet that area's needs.

9310  
CSO: 4640/189

## IRANIAN OFFICIAL ON JUDICIARY COUNCIL ACTIVITIES

GF041502 Tehran KEYHAN in Persian 21 Apr 83 p 18

[Text] The Supreme Judicial Council held a meeting on Thursday in which was attended by Seyyed 'Abdolkarim Musavi-Ardabili, president of the supreme court; Yusef Sane'i, national chief prosecutor; Morteza Moqtadi', member of the Supreme Judicial Council; Mehdi Qazi, deputy chief of the Supreme Judicial Council, head of the administration organization and in charge of the organizations linked to the Islamic Republic Prosecutor's Office.

This meeting first condemned the Iraqi Ba'thist mercenaries' missile attack on the city of Dezful, the city of martyrdom and resistance, prayed for the souls of the martyrs, and sent congratulations and condolences to the Imam of the Ummah. The national chief prosecutor then presented a report to the council on his visit to Esfahan Province and on his inspection of the judicial districts of that province. Then the new organization of the judiciary of Kordestan Province was discussed with the head of the judiciary of that province and was approved. In the same meeting, the representatives of the judiciary in the guardian council of the Voice and Vision of the Islamic Republic of Iran laid before the assembly a report on its activities. The council then gave them the necessary guidance.

At the close of the meeting Jajjat Ol-eslam Moqtadai' answered questions put to him by the KEYHAN reporter on the guidance which the council gave to the officials in charge of the Voice and Vision of the Islamic Republic of Iran, the new organization of the judiciary and the date of election of the two new members to the Supreme Judicial Council.

At the beginning he said: arrangements have been made for two representatives of the guardian council of the Voice and Vision of the Islamic Republic of Iran to attend the Thursday meetings of the Supreme Judicial Council and submit a weekly report on their activities. According to that arrangement our dear brothers attended the meeting of the Supreme Judicial Council and submitted their report on 1 week's work. They also stated that efforts should be made so that the programs carried on the Voice and Vision of the Islamic Republic of Iran correspondent to the tenets of Islam are in keeping with the dignity of the system of the Islamic Republic of Iran. Instructions were also issued that programs should be adopted so that our dear always-on-the-scene nation can learn about judicial issues and thereby gain a better knowledge of the tenets and judicial laws of Islam.



Hojjat ol-Eslam Moqtadai' then referred to the new Islamic judicial system in the provinces and said: In today's meeting, which was attended by the director general of the judiciary of Kordestan Province, the plan for the new organization of the judiciary of Kordestan Province was discussed and approved. The plan has taken into consideration the number of legal, peace and criminal courts, grades one and two, for the various districts of this province. In addition, special civil courts have been set up to deal with family disputes. Fortunately, the majority of these sections is headed by responsible persons but on the whole, this province is facing a lack of judicial personnel. We hope that this shortage will soon be overcome. The new organization meets the present needs, but steps must be taken to find full complement. This is not the last province in which the new Islamic system is being introduced, but except for the two provinces of West and East Azarbayjan, all the rest of the provinces have already been provided with the judicial system of the country.

In conclusion, he referred to the election of two new members for the Supreme Judicial Council and said: There has been no hitch in the way of this election. We were only waiting for the introduction of the new Islamic system in all the judicial courts of the province, so that the respected judges who are to take part in this election, should have their appointment orders issued, their duties determined and their stations fixed. This will enable us to elect the members of the Supreme Judicial Council under one complete Islamic judicial system.

CSO: 4640/200

NVOI CARRIES COMMUNIST PARTY APPEALS

TA021150 (Clandestine) National Voice of Iran in Persian 1730 GMT 1 May 83

[Unattributed commentary: "The Protest and Warning of Progressive Mankind"]

[Text] Dear compatriots: We have said that world public opinion and progressive mankind is rightly concerned over the fate of a section of the Iranian Tudeh Party's leadership and members who have been arrested in a cowardly manner stemming from breach of promise and as a result of the plot of the rightists and certain U.S.-fabricated organizations such as the Hojjatiyeh society.

The world knows that the superficiais and the Iranian parasites and their turbaned and unturbaned supporters have never refrained from resorting to any crime in order to continue their plunderings. Mankind is well aware of the disgraceful and bloody pages of the history of the crimes of Iran's prosperous and well-to-do stratum--these large landowners, major capitalists and their salaried court preachers--and knows that it is not the first time that these historical criminals, in order to drag our nation's revolutionary gains in blood and dust, have started their wild onslaught by first arresting and suppressing the revolutionary dissenting forces. For this reason, world public opinion and mankind, while protesting the illegal measures of rightist elements in unlawfully arresting a section of the Iranian Tudeh Party's leadership and members, is issuing a warning to all revolutionary forces, both religious and nonreligious, that the Iranian Revolution is exposed to a serious danger.

Herewith, for the information of our homeland's public and all true revolutionary forces and the sincere followers of the revolution's and imam's line, we bring to the attention of the dear compatriots parts of letters by labor, communist and popular parties.

In a letter addressed to the Iranian Tudeh Party Central Committee, the secretariat of the Portuguese Communist Party Central Committee wrote: Dear Comrades, being advised of the arrest of Comrade Kianuri, first secretary of the Central Committee, and other outstanding leaders of the Iranian Tudeh Party, we declare our resolute protest against this measure which is against the interests of the Iranian people and their revolution. It is then stated in the letter by the Portuguese Communist Party: In this difficult moment in the life of the Iranian Tudeh Party, we express our solidarity with the struggle of the Iranian communists, toilers and people in safeguarding the gains of the Iranian anti-imperialist revolution.

In a letter which the Portuguese Communist Party sent to Imam Khomeyni, it is stated: Being advised of the arrest of Nureddin Kianuri and other leaders of the Iranian Tudeh Party as well as of a number of outstanding and progressive Iranian figures, the Portuguese Communist Party which has always had a positive stance toward the Iranian Revolution, requests your intervention for the immediate release of these patriots.

The Spanish Communist Party, in a telegram through the Islamic Republic of Iran's Embassy in Madrid, while expressing regret at the arrest of a section of the Iranian Tudeh Party's leaders and members, wrote: In the name of human rights and commitment toward the rule of law, we request the release and safety of the members and legality of this party.

The Belgian Communist Party, while protesting the arrest of a section of the Iranian Tudeh Party's leaders and members, declared: Such arrests can only cause the intense concern of those who supported the Iranian people's struggle against the shah's dictatorship, and who congratulated the Iranian nation's victory against the regime supported by America.

The first secretary of Algeria's Progressive Socialist Party, in a letter to Hojjat Ol-Eslam Khamene'i, our country's president, while protesting the illegal arrest of leaders of the Iranian Tudeh Party and of Comrade Kianuri, and after recounting certain reasons to the effect that these arrests are contrary to the interests and revolution of the Iranian nation, stated: Algeria's communists--the friends of your revolution--request you to take the necessary measures for the release of the Iranian Tudeh Party leaders who have been unlawfully arrested.

In a letter to the Iranian Tudeh Party Central Committee, the Indonesian Communist Party Central Committee, while protesting the illegal arrest of a number of Iranian Tudeh Party leaders and members, pointed out: Since the first day of its activity, the Iranian Tudeh Party has consistently defended the interests of Iran's toiling masses and its country. Following the Iranian people's victory against the shah, the Iranian Tudeh Party supported the Islamic Republic of Iran, under the leadership of Ayatollah Khomeyni, and defended the gains of the revolution along with other progressive forces. For this reason we consider arrest and suppression of Iranian Tudeh members as an act detrimental to the Iranian Revolution, detrimental to its anti-imperialist policy, and against the interests of the toiling masses.

The Central Committee of the Progressive Party of the Working People of Cyprus, in a telegram to Ayatollah Khomeyni in connection with the illegal arrest of a number of the Iranian Tudeh Party's leaders and members, stated: The Central Committee of the Progressive Party of the Working People and all progressive people of Cyprus have been amazed at the news of the arrest of Nureeddin Kianuri and other leaders of the Iranian Tudeh Party, and request your intervention for their release. The detention of Tudeh patriots who selflessly struggled against the shah's regime and who are consistently supporting the revolution is a blow against the popular and anti-imperialist aspects of the revolution.

The Egyptian Communist Party and Sweden's Labor Communist Party as well, in a letter protested the illegal arrest of a number of Iranian Tudeh Party leaders, and expressed solidarity with this party's Central Committee. These were parts of letters and telegrams by labor and communist parties and organizations in connection with the illegal arrest of a number of leaders and members of the Iranian Tudeh Party.

RAJAVI CONDEMNS OPPRESSION OF SHAH SUPPORTERS, TUDEH

London IRAN PRESS SERVICE in English No 117, 14 Apr 83

[Text] National Council of Resistance and Mojahedin-e-Khalq leader Masoud Rajavi says the Mojahedin condemn the arrests, summary trials, suppression and torture imposed on monarchists supporting the Shah and on Tudeh party members as well as other political forces in Iran.

Rajavi told the Arabic language AD-DASTOUR that his organisation condemned torture, suppression and execution regardless of the victims' identity. Even though the Tudeh party cooperated in the suppression against the Mojahedin he was against the Khomeyni regime's treatment of them.

"The leader of the Tudeh party used to openly declare that he had a share in Khomeyni's suppression of the Mojahedin," Rajavi said. "He also called for our execution on several occasions, and personally requested my extradition from France so that I could be executed in Tehran. Nevertheless, we condemn Khomeyni's oppression of anyone."

He said Khomeyni had moved against the Tudeh solely to appease some of his friends and allies who were worried about their bleak future, and to attract foreign support and arms aid.

Rajavi claimed that the joint statement issued by him and Iraqi deputy premier Tariq Azia had convinced the Iranian people that Iraq was sincere in wanting an end to the war. They now realised there was no justification for continuing it. The first effects of this had been felt in the last offensive, when the Iranian armed forces had "adopted a negative position" towards the war, and "the rest showed little enthusiasm in participating in the offensive." He regretted that Khomeyni's warlike aims had led to further killings and destruction. Hospitals from the south of Tehran right across the country to Mashad near the Soviet and Afghan borders were full of wounded. He did not think the war would stop until Khomeyni was in such a position of weakness that he had no alternative but to end the war.

CSO: 4600/574

NABAVI SAYS SELF-SUFFICIENCY DOES NOT EXCLUDE EXPANSION OF FOREIGN TRADE

London IRAN PRESS SERVICE in English No 117, 14 Apr 83 pp 3-4

[Text] Behzad Nabavi, Iran's minister for heavy industry, has told a delegation of workers that economic self-sufficiency did not exclude expansion of foreign trade.

"Anti-revolutionaries are trying to draw up a totally wrong picture of the position of the Islamic republic," Nabavi told a group of employees from the Tabriz diesel factory. "They have penetrated the foreign media and are trying to convince reporters abroad that the authorities of the Islamic republic are a bunch of illiterate, ignorant and fanatical people."

Nabavi said that nowhere had the adverse propaganda by anti-revolutionaries been as effective as in the realm of economics. It had been so effective that some foreign businessmen were convinced that the authorities of the present regime in Iran were savages and illiterate.

"I have seen some Europeans who, under the influence of our enemies, are afraid even to shake hands with us because they have been told that we Islamic revolutionaries do not touch the hands of non-Muslims," he said. "We have to counter such propaganda. Our enemies have nothing at their disposal but the tools of propaganda. Unfortunately, these are important tools and I must say that the blame must be put partly on us because we have not given much importance to the value of propaganda."

Nabavi criticised those responsible for the regime's image abroad, saying they had failed to answer Iran's enemies effectively.

"One important topic which our foreign propaganda organs must take up is our economic philosophy," Nabavi continued. "They must go out and explain that our policy of self-sufficiency does not mean that we have closed our doors to the outside world. We must tell foreign companies we are ready to deal with them."

He went on to criticise some of his own colleagues whom, he said, were "more concerned with their personal image than with the interests of the nation." They were ready to buy goods at inflated prices in Turkey because it was a Muslim country but were reluctant to do business with a friendly non-Muslim country.

CSO: 4600/574



# EXPERTS AGREE WEST WILL BENEFIT BY NATION'S ECONOMIC RECOVERY

London IRAN PRESS SERVICE in English No 117, 14 Apr 83 pp 4-7

[Text] In spite of the drain of resources resulting from the war with Iraq economists are already forecasting that by the mid-80s Iran will again be an important centre of economic activity and a rich market for the West, into whose economic sphere it will be reintegrated.

A new oil boom in the mid-80s was recently forecast by two Iranian experts involved in energy research for Western institutions and who prepared a special report for the Economist Intelligence Unit. The boom, they said, would restore OPEC's muscle and the influence of the oil producers.

They are Bijan Mossavar-Rahmani, research coordinator of the International Natural Gas Study of the Harvard Energy Security Program of Harvard University, and Fereidun Fesharaki, research coordinator of the OPEC Downstreams Project of the Research Systems Institute at the East-West Centre in Hawaii. Their view has received backing from some other energy experts since.

Mossavar-Rahmani and Fesharaki themselves have also published a further report for the MIDDLE EAST ECONOMIC SURVEY on Iran's economic future. They foresee the possibility, providing there are no new "twists," of Iran's income from oil going up to \$33 billion by 1985.

"If the rate of production (we estimate) can be achieved," their report says, "the process of normalisation of Iran's foreign commerce specifically, and its domestic economy generally, will proceed at a rapid pace. With such normalisation will come a stabilisation of the country's domestic political situation, as well as a reintegration of Iran into the Western economic sphere."

The two experts add that "either development would have profound implications within the country and beyond." They do not elaborate, and one can only assume they mean the political climate would change sufficiently to bring a new character to government inside Iran and a new basis for relations with the West.

Mossavar-Rahmani and Fesharaki's report said Iran's economy was beginning to show signs of revival. At current production rates annualised oil revenues in 1983 could easily exceed \$25 billion, a dramatic increase over last year and the highest ever in nominal terms. Transfusion of such additional foreign exchange into the economy was permitting rapid normalisation of Iran's foreign

commerce. Earlier restrictions on imports were being lifted and foreign companies were flocking back to Iran. Only large scale resumption of military operations could again force a diversion of resources away from other sectors of the economy and frustrate the current drive towards economic--and eventually--political normalisation in Iran, the pair said.

The report pointed out that Iran's foreign trade pattern both in size and direction closely tracks its oil production levels, since over 95 percent of the country's foreign exchange receipts are derived from oil sales. The economy is now more than ever dependent on oil.

The two experts also pointed out that between 1978 and 1981 the switch of exports from the industrialised countries to the developing countries was a radical one. Significantly, however, exports to the Soviet bloc countries remained unchanged in both absolute and relative terms. The increase to the developing countries was also limited in absolute terms. Iran's inability to significantly increase its exports to the developing and Soviet bloc countries in absolute terms during this period clearly indicated the limited demand for hard currency purchases of its oil in these two markets; any increases in purchases of Iranian oil would have to come from the industrial countries.

Mossavar-Rahmani and Fesharaki pointed out that oil price discounting in 1982 triggered just such purchases by West European and Japanese buyers. Exports to the industrialised countries rose by an estimated \$5 billion between 1981 and 1982 to about 64 percent of the total, reversing the earlier trend. Exports to the industrialised countries rose by an estimated \$5 billion between 1981 and 1982 to about 64 percent of the total, reversing the earlier trend. Exports to the developing countries rose in value but dropped as a share from 45 percent to 35 percent of the total. Exports to the Soviet bloc countries with which Iran had entered into new barter agreements as well may have climbed only marginally from one-half percent to one percent of the total. The share of exports to the developing and Soviet bloc countries is expected to fall off in 1983 following the announcement of Iranian officials of a move away from barter to cash sales of oil.

The MIDDLE EAST ECONOMIC SURVEY report continued: "As for imports the value of Iran's imports dropped from 19.5 billion in 1978 to 12.6 billion dollars in 1981 (a critical year in which the country registered a trade deficit of 2.4 billion dollars). As with exports, the composition of Iran's imports in both absolute and relative terms shifted away from the industrialised countries... While the barter agreements arranged in the first half of 1982 temporarily increased the import of goods from the developing and Soviet bloc countries last year, the direction of Iran's imports, like its exports, is now moving back to the industrialised countries, reversing the pattern of the first few years of the revolution.

"Indeed, the impact and rhetoric of the revolution notwithstanding, Iran's economy remains structurally linked to those of the industrial countries. Attempts to sever the ties after 1979 have not succeeded, and while the developing and Soviet bloc countries will continue to play a marginally more important role in Iran's foreign commerce, the trend towards resumption of normalised

trading relationships with the industrial countries is clearly evident. In 1983 the bulk of Iran's oil sales of over \$25 billion will be transacted with the industrial countries; most of the revenues will be used to import goods and services from the same countries."

The report said the increase in oil revenues in recent months would enable the government to begin to address some of its economic problems. But important decisions would have to be made about how those revenues would be spent and what course should be charted for the country's economy over the medium to long-term. It was still too early to determine the direction of the Iranian economy over the next several years, but at least one pattern was emerging from official pronouncements of the past year--Iran's new leaders, whether by design or default, were reverting to the prerevolutionary regime's much-criticised (and initially abandoned) economic programmes in several important areas, notably in the energy sector.

The report details the various areas: Oil-Policy--After criticising the previous regime's aggressive oil production and marketing policies as wasteful and detrimental to OPEC solidarity, the government has now effectively removed its earlier ceilings on production and has adopted many of the earlier marketing tactics (discounting, barter) that had established Iran as a leading producer and exporter of oil in the world. Iran is now producing at near capacity levels and would--if oilfield conditions and world markets allowed--produce substantially higher volumes of oil. Investments have in fact been resumed, and will be stepped up as resources permit to raise Iran's production capacity above the prevailing level of about 3 million to 3.5 million barrels a day. Repairs are already under way to oil infrastructure damaged by war and several years of neglect. Plans have been announced for the resumption of the multi-billion dollar secondary recovery programme, together with other oilfield development activities. Within the next several years, Iran's production capacity could climb by another 1-1.5 million barrels a day, firmly reestablishing the country as an important protagonist in the world market.

Petrochemicals Policy: After criticising the previous regime's massive investments in petrochemicals as wasteful, Iran now appears determined to press Japan into completing the giant petrochemicals complex at Bandar Shahpur (Khomeyni). That project, estimated to cost under \$1 billion when first conceived in the mid-70s, could ultimately cost as much as \$10 billion.

Natural Gas Policy: After criticising the previous regime's natural gas export policies and unceremoniously terminating Iran's obligation to build a second cross-country trunkline to carry natural gas to West European buyers via the Soviet Union, and also terminating sales to the Soviet Union, the government is now reconsidering its posture. Discussions have started for construction of a new trunkline to carry natural gas to Western markets through Turkey. The commercial viability of this project is no more certain than that of the previous two. Why the government has reversed its position is not clear.

Nuclear Power Policy: After criticising the previous regime's nuclear power development programme as costly, technically unmanageable, environmentally

unsafe, dependence creating and generally unsound and unnecessary given Iran's vast natural gas availability, the government is now toying with the idea of resuming work on at least one of two German reactors under construction on the Persian Gulf but abandoned (together with two French reactors) after the revolution.

Mossavar-Rahmani and Fesharaki add in their MEES report: "It is unlikely that the resumption of interest in these and other mega-projects of the 1970's (Sarchesmeh copper complex) has come in the wake of a serious reassessment of their desirability or vastly-changed market conditions. Rather, the new government appears to be operating under pressures not dissimilar to those facing the previous ones: general fascination with mega-sized operations, bureaucratic inertia, a perceived need to create "prestige" projects, and perhaps a genuine sense on the part of the planners that such projects do have some redeeming value.

"Whatever the reasons, the present government is making a full circle in re-viving or adopting the prerevolution regime's economic programmes and policies. Some of those projects may begin to move ahead if resources are available, and with them foreign contractors will once again return to Iran in large contingents reminiscent feeling their way back into Iran, although initially by proxy through dummy Western or developing country-based affiliates."

CSO: 4600/574

# NATIONALIST EXILES CONSOLIDATE RANKS

London IRAN PRESS SERVICE in English No 117, 14 Apr 83 pp 7, 8

[Text] Iranian political observers are attaching considerable importance to recent developments in exile politics which are said to have brought the views and objectives of elder statesman Ali Amini and the Shah's advisers closer.

At a recent "national coordination congress," held in Paris under the sponsorship of the Amini-led Front for the Liberation of Iran, Amini paid tribute to the young Pahlavi for his assertion that once the country was liberated he would seek national endorsement for his accession to the throne, in spite of the fact that he regarded himself as the legal heir to it.

Amini put in no uncertain terms his view, shared by the majority of centrist groups, that the 1906 constitution is still binding, and that, with no allowance for any period of interregnum after Iran is liberated, all present institutions, including the theocratic constitution, would cease to operate and the 1906 constitution would, by right, take immediate effect.

The significance of Amini's statement lies in the fact that the 1906 constitution gives equal weight to the sanctity of the institution of monarchy on the one hand and that of the people's democratic rights on the other.

Centrist exile groups believe there has been a meeting of minds between the broad spectrum of nationalists and those who are primarily supporters of monarchy. The mainstream royalist groups now pay tribute to such landmarks of purely nationalistic politics such as the late Mohammad Mosadegh, whose memory was constantly abused during the late Shah's later years, while supporters of Mossadegh are coming round to the 1906 constitution rather than a referendum as the framework through which to seek a public decision on the monarchical or republican form of government in a liberated Iran.

These developments are seen by many as providing a basis for the emergence of a leadership entity to take charge of the centrist-nationalist opposition to the Khomeyni regime in Iran. Shahpour Bakhtiar's National Iranian Resistance Movement has for some time demonstrated its willingness to cooperate with the young Shah as a means to bringing the opposition against Khomeyni into some form of united front. If other groups now take the same attitude there are hopes that the exile groups can play some significant role.



One prominent analyst commented: "The formula mooted at the coordination meeting is interesting in that it works out a compromise leaving both parties happy. Usually compromises leave both parties grumbling but this is the other way round. As a result all moderates can claim they are represented in this arrangement. As far as most of them are concerned, whether they are under a republican regime or a monarchy in the aftermath of the Khomeyni disaster makes little difference. They want a responsible form of government which, to borrow a phrase from old-timers, can make the trains move on time. At the same time the people would like their next rulers to keep away from the TV and radio, to leave them alone. Later, they will want to ensure that everything possible is done to ensure no other dictator emerges.

He added that it was imperative not to misread people's wishes at this crucial stage. Here he had in mind all those who dismissed democratic ideals as bourgeois values or as European concepts alien to the Iranian mind. To the leftists the message was that Iranians were not ready to embrace any kind of ideologically justifiable dictatorship. To the extreme monarchists it was that Iranians respected their monarch as a mystical figure who refrained from interfering in people's daily lives. While many people today had respect for the late Shah they did not fail to criticise him for playing the role of an ordinary politician, making long speeches and sticking his neck out to be accountable for the consequences of every decision which the government was supposed to make.

Other observers said they could now visualise the gradual shaping up of a leadership centre which is going to convince us all that forced expulsion of the mullahs will not lead to a vacuum. A former army officer who has exiled himself in Turkey said that contrary to what many exiles have been saying he knew from personal experience that people back in Iran were ready to look for guidance from exile politicians. They had not moved against Khomeyni because they had not seen any alternative. That was why the emergence of a leadership centre abroad was important.

Some opposition activists contend that even if the mullahs cannot be dislodged by terrorists they could be forced to give way by the sheer weight of popular opposition once that can be touched off. Signs of the mullahs' weakening resolve were already now showing. The opposition groups abroad could encourage this through their uniting.

CSO: 4600/574

## BRIEFS

**FIGHTING IN KURDISTAN**--Attacks by units of the revolutionary guards on Kurdish guerrilla centres in western Iran in recent weeks have produced some of the bitterest fighting for a long time, reports from the area say. The guards are reported to have suffered heavy casualties. Kurdish and Mojahedin forces are said to have attacked a number of barracks throughout the area. The Paris-based National Council of Resistance, which includes representatives of the Kurdish Democratic Party of Iran, has given the names of 50 civilians, who it is feared are among much larger numbers killed in indiscriminate attacks by revolutionary guards on Kurdish villages, to the United Nations, together with an appeal for the world body to take action. At least 8 villages have been callously attacked, it is claimed. The massacres, it is claimed, attempts by the Khomeyni regime to terrorise the population into withholding support for the Kurdish resistance forces. NCR leader Masoud Rajavi said he had drawn the attention of not only the world body but Amnesty International and the International Red Cross to the massacres in the Kurdish villages. Young children, women and old men were among those who had been brutally slaughtered. [Text] [London IRAN PRESS SERVICE in English No 117, 14 Apr 83 p 1]

**FOREIGN MINISTER HUMILIATED**--Signs of the Islamic regime's fading influence among Third World countries continue to show. Last week Iran's foreign minister Ali Akbar Velayati, was refused permission to speak at the trade conference of Group 77 in Buenos Aires. The Argentinian chairman, rejecting a request to speak from Velayati, said he did so because at Third World meeting Iranian delegates repeatedly spoke on subjects which were not related to matters on the agenda. Velayati had told the Iranian press before leaving for Buenos Aires that he would use the conference to organise a devastating campaign against the United States and imperialism. He said he would urge the developing countries to use their economic power as a political weapon in their fight against imperialism. Iran, he added, would always use its oil and purchasing power as a means to strengthen Islam. [Text] [London IRAN PRESS SERVICE in English No 117, 14 Apr 83 p 4]

**UNPLEASANT OVERTONES TO WOMEN'S DAY**--Some ghoulish statements by public figures marked the anniversary of Fatima Zahra, the Prophet's daughter, on April 4, which is now observed in the Islamic Republic as Women's Day. Ayatollah Montazeri, believed by many to be Khomeyni's nominated successor, sent greetings to "the loyal and faithful ladies who with their struggle and generosity have

readily given their children as martyrs for God. Greetings to the brave ladies who continue to train their children to defend the holy front of Islam and the Koran, and, like Zeinab, send them to the fronts to fight the war between Islam and world impiety." Ateqeh Rajai, widow of the assassinated former president Rajai, in a speech at a rally at Tehran University, praised the cultural and ethical fruits of the revolution for women. She said that as a result of this spiritual transformation Iranian girls and women craved to marry war veterans who had lost a limb or who had been disabled in any way in the war. [Text]  
[London IRAN PRESS SERVICE in English No 117, 14 Apr 83 p 8]

CSO: 4600/574

KING INTERVIEWED ON EVE OF MITTERRAND VISIT

BK011149 Hong Kong AFP in English 1118 GMT 1 May 83]

[By Joel Henri]

[Text] Katmandu, 1 May (AFP)--King Birendra of Nepal said today his country would welcome support from French President Francois Mitterrand for Nepal's zone of peace proposal during his forthcoming state visit beginning tomorrow.

At least 31 countries including members of the Association of Southeast Nations (ASEAN), China, Japan and Britain have already extended their support for the king's zone of peace proposal although Nepal's southern neighbour, India, has still to support the proposal.

In an exclusive interview with AGENCE FRANCE-PRESSE at the Royal Palace today, King Birendra clarified that his proposition to declare Nepal a zone of peace was based purely on the Nepalese people's legitimate aspirations for peace and development.

"I don't see how any country can be opposed to this concept. As a matter of fact there is nothing in it for anyone to oppose," he said.

Asked to give his view about the possible redeployment of Soviet missiles to the Asian theater, King Birendra said: "Nepal is opposed to the development and deployment of nuclear missiles whether in Europe or in Asia."

The king hoped that the Euro-missile talks would result in a solution that is consistent with the aspirations of millions of people in Europe and outside. King Birendra also called for international financing "on a big scale" to develop regional cooperation on the use of Nepal's water resources.

Asked whether he would raise this question with President Ronald Reagan during the proposed state visit to Washington in October, the king said he expected to discuss matters of bilateral, regional and international interest with Mr Reagan.

The landlocked kingdom relies on the ports of Calcutta in India and Chittagong in Bangladesh for its trade with third countries, with imports through Bangladesh showing a marked increase in recent years, King Birendra said.

Nepal-Bangladesh bilateral trade can be carried on at the moment only by rail via Radhikapur (India) and this is the only link between our two countries." Working to make this link a more efficient and less costly transit would be desirable and helpful for the economic growth of Nepal, he added.

"Thus the transit facilities provided by both India and Bangladesh have assisted the expansion and diversification of Nepalese foreign trade," he said.

King Birendra said Nepal's relations with its immediate neighbours--China and India--were good and based on mutual understanding and good will.

"The respect for sovereign equality, territorial integrity and non-interference in each other's internal affairs govern our relations with China and India," the king said.

"Both Nepal and India are members of the nonaligned movement and pursue the ideals of nonalignment in the conduct of their mutual relations while Nepal's relations with China are governed by the five principles of peaceful co-existence and understanding of one another's legitimate aspirations."

Commenting on Franco-Nepal socio-economic and political relations, King Birendra said Nepal's political views "were based on the philosophy and ideals of non-alignment," adding that this did not reclude our two governments from holding similar views on many world issues.

"We see President Mitterrand's state visit, the first visit by a French president to Nepal, as a milestone in relations between Nepal and France and expect that this visit will further strengthen the friendship and cooperation between our two countries."

The king hoped that France could extend fruitful cooperation in the development of agriculture, industry and the social infrastructure.

Nepal would also like to invite private French entrepreneurs to participate in her development efforts on a mutually beneficial basis, the king added.

Questioned about tourism development through the opening of both surface and air routes between Katmandu and Lhasa, Tibet, King Birendra said "the promotion of tourism and exchange of tourists between two friendly neighbours are in the interest of both countries."

Asked whether he planned to modify the existing panchayat [partyless] system to go back to the party system, the king referred to the verdict of the 1980 referendum which he said demonstrated the people's wishes in favour of the system.

"I don't see how we can go back to a system of government against the will of the people and which he had already tried out for a decade in the 1950's," he said.



Referring to the country's present economic situation King Birendra said the bulk of Nepal's investment up to the fifth five plan period which ended in 1980 was devoted to the creation of infrastructures needed for development.

The current sixth plan has given greater emphasis to meeting the minimum basic needs of the people, he added.

CSO: 4600/585

## EARLY SOLUTION TO AFGHAN PROBLEM TERMED IMPERATIVE

Lahore VIEWPOINT in English 7 Apr 83 pp 5, 6

[Text] Resumption next week of the tripartite Geneva talks on Afghanistan--albeit after an unduly long interval of ten months, and still within the clumsy framework of indirect negotiations--brings welcome promise of progress towards a peaceful political settlement. Measured optimism about the future rests primarily on the UN Special Envoy's understanding of developments in the region and his carefully calculated expectations. In his report to the UN Secretary-General, Diego Cordovez offered his impressions after a prolonged visit to the area in pursuance of efforts "to promote a political solution to the situation relating to Afghanistan." He reported that the consultations held by him in Islamabad, Kabul, and Tehran, had centered on the substantive content of a comprehensive settlement, and that it had been possible to widen the understanding reached at Geneva last year. He said further that the discussions had been thorough and constructive, with particular emphasis on the formulation of practical provisions including time-frames to ensure effective implementation of the settlement. He reiterated that the four inter-related elements of a comprehensive settlement, as agreed at Geneva, were: withdrawal of foreign troops, noninterference and nonintervention, guarantees of non-intervention and noninterference, and arrangements for return of (Afghan) refugees. Later in his report Diego Cordovez made the significant point that consideration had also been given to the modalities and timing of a consultative mechanism that would be set in motion to consult the refugees in order to ascertain the voluntary character of their return. And he concluded that in the light of the progress made during these consultations, agreement had been reached to hold another round of discussions.

Having examined the Cordovez report, the UN Secretary General expressed his gratification at the support received for his efforts to facilitate a fair and durable solution, and said that given the complexity of the issues involved it was essential that discussions aimed at a comprehensive settlement be continued with determination and a sense of urgency, and that no effort should be spared to enable the people of Afghanistan to live in peace. Since then, Perez de Cuellar has visited Moscow for consultations with Soviet leaders on major international issues, including Afghanistan. The UN Secretary-General, accompanied by his Special Envoy, met Soviet Party Secretary Andropov and Foreign Minister Gromyko, and said afterwards that he had been encouraged by his discussions on Afghanistan and believed there was reason to feel hopeful about the Geneva parleys.

Although the Tehran Government has maintained its unhelpful attitude of unconcern about the negotiations, the public statements made in recent months by the representatives of Pakistan and Afghanistan lend support to the UN Secretary-General's hopeful assessment. In various policy statements, including the CMLA-President's speech at the NAM Summit, the UN endeavour has been backed by the Pakistan Government and it has pledged itself to cooperate with the UN efforts to reach and ensure faithful implementation of a political settlement. Similarly, the Afghan Government has assured the United Nations of its willingness, even eagerness, to take the process of negotiations to a speedy and successful conclusion. Towards this end, the Afghan President has once again said that his Government was ready for direct talks with Pakistan on all issues in dispute between the two countries. Then, despite the divergence of views on certain aspects of the situation in the region among the main parties to the dispute, the NAM Conference was able to adopt an acceptable formula on the question. The Afghan Prime Minister formally registered his usual protest that the matter should not be placed on the agenda, as this was tantamount to interference in Afghanistan's internal affairs, but he did not try in any way to obstruct the consensus projecting the NAM view that the negotiations under UN auspices should be supported and nothing done to hinder the effort to establish peace in the region.

It is hardly necessary to repeat that an early solution of the continuing crisis on our Western borders is of great interest to Pakistan, just as it is of vital concern to Afghanistan. Both sides must, therefore, make every possible effort to ensure that the second Geneva Conference can lead to positive results. In this connection, we would suggest earnestly that Pakistan should reconsider the Afghan offer of holding direct talks, and keep its options at Geneva open. Quite obviously, the uneasy situation on their common border is a matter that has to be settled primarily between Islamabad and Kabul; if they can reach mutually-advantageous agreements, the other parties to the dispute can have no reasonable cause for standing in the way of a settlement. The Pakistan Government's present position that direct talks at Geneva or anywhere else would amount to recognition of the Afghan regime, for which it is not yet prepared, is not supported by international precedents. Everyone knows that for long years American and Chinese envoys carried out intricate negotiations at Warsaw without the United States having accorded recognition to the Maoze Dong regime in Peking. Therefore, this question need not be regarded as a point of principle; it should be treated merely as a matter of convenience. We advocate a change in modality for the April talks mainly in order to eliminate delays or possible misunderstandings and thus, speed up the negotiations, so that the common Pak-Afghan frontier can be made a border of peace and the growing burden of Afghan refugees in Pakistan can be reduced and eliminated, before the situation worsens and fosters repercussions that we all want to avoid.

CSO: 4600/576

MRD'S MAIRAJ MOHAMMAD KHAN INTERVIEWED ON POLITICAL DEVELOPMENTS

Rawalpindi HURMAT in Urdu 22 Mar 83 pp 15-19

[Hurmat interview with Mairaj Mohammad Khan: "Politicians Want To Save the Country From Civil War; We Do Not Want Armed Conflict; a Nonelected Government Cannot Be Entrusted With the Promulgation of Islamic Laws"; date and place not given]

[Excerpts] Mairaj Mohammad Khan, leader of the defunct National Freedom Front, is an important political leader of the right wing and is regarded as one of the founders of the former ruling People's Party. At one time he was close to the former premier and was designated by him as his successor. But later, the former premier put his designated successor in jail and subjected him to violence. At present, Mairaj Mohammad Khan is a member of the Movement for the Restoration of Democracy [MRD] and is trying to restore democracy. The following is an interview with him concerning national issues:

[Question] Some people believe that the MRD has failed to play the role for which it is said to have been formed. In your view, has any progress been made toward the achievement of the objectives for which MRD was established?

[Answer] MRD's primary objective was to bring closer together the members of the signatory parties to the 4-point manifesto. The differences that existed earlier have been bridged to a great extent and understanding has been achieved, and great advances have been made toward bringing the leaders of the parties closer. They have, moreover, aroused hopes among the people in regard to national issues such as the restoration of the constitution and democracy, an end to martial law, the holding of general elections under the 1973 constitution and solutions to these problems. Everyone is aware of the many obstacles that exist in regard to these issues. Member parties of the MRD are fully acquainted with the political methods that characterize a constitutional and democratic atmosphere, such as meetings and processions, press conferences, press statements and the expression of differences. But these parties now face entirely different conditions and are passing through a period when unseemly games are being played. The parties are to a great extent ignorant of the kind of struggle they should wage in order to restore democracy. I think that the MRD will not make any headway at all

if only the traditional methods of struggle are used, because any attempt to struggle ends in arrest. Any effort to establish contact with the people results in bans by district and provincial authorities. Gatherings and processions are banned. Under these conditions, it is necessary to find a new method of struggle. I do not say that armed struggle should be attempted but that the democratic manner of struggle against the government allowed under the constitution should be used effectively. I have no hesitation in saying that the MRD has not succeeded in overcoming its own weaknesses; and if this situation continues, no well-known politicians will be visible in the next round of democratic struggle and comparatively unknown faces will appear on the national political horizon, and these individuals will join with the people to initiate a struggle.

[Question] Mr Mairaj Khan, in view of the present situation and the performance of the MRD and the political parties outside it, would it not be correct to say that all parties and politicians have lost their significance in the period through which we are now passing?

[Answer] Before attempting to answer this question, let us take a look at the background to the present situation. In my view, Pakistan is facing intense tensions in the national and international spheres. For example, a misunderstanding or even conflict exists between a clear majority of the people and an important organization in the country. Undoubtedly, this situation has been created by our adversary. In the economic sector, inflation, destitution and unemployment have greatly increased. Production is declining, and as a result of this situation, a state of conflict exists between the ordinary citizen and the economically self-serving class. Because of the suspension of the constitution, continuing amendments to it in the form of martial law ordinances and the demise of the powers of the high courts, law and order no longer exist in the center and the provinces and an atmosphere of unrest is spreading in the provinces. Martial law is now another name for a central form of government that was rejected by the provinces in the 1970 and 1977 elections and against which they struggled for a long time and made many sacrifices. We do not think that the continuation of the present situation is in the interests of the country. In foreign affairs, an independent and nonaligned policy has been scrapped and new life breathed into the 1959 Pakistan-U.S. bilateral agreement. For the sake of \$3.2 billion in American aid and F-16 planes, we have been pushed again toward the 50th [word illegible] in foreign policy. The result of all this is that the U.S. Department of State has declared Pakistan its front-line state; and in this connection, the following statements by President Zia are noteworthy and cause for anxiety: "In spite of difficulties, we will not hesitate to send our forces to the West"; and also, "We will not allow our allies to establish espionage bases in Pakistan; but we will collect information ourselves if they supply us with sensitive instruments and we will of course continue to supply important information." What do these statements mean? By the West, does he mean that we will send our troops to Saudi Arabia, Oman, Muscat, Dubai, Kuwait, Jordan, Egypt or Israel? This will not be possible. In fact, the United States wants to use us to achieve its own aims. If we agree to become their toadies, they could use us against our own friends. The prospect of such a situation is cause



for anxiety. Law and order in the country are in a bad state; workers are being laid off and the burden of inflation has become unbearable. The judiciary is in a state of paralysis; our eastern border is unprotected; the clouds of war are appearing over the northern and western borders. This situation undoubtedly affects the political parties and their leaders, and they are facing a dilemma. They want to avoid bloodshed and civil war and hence face difficulties and obstacles in undertaking practical measures and active struggle. I think that all political leaders realize that martial law and Pakistan cannot advance hand in hand. This is the time for decision, and any delay may have fearful consequences. It is not a good idea to play with the lives of the people and encourage confrontation; but to ensure their existence and their future, nations have at times crossed oceans of fire and blood.

[Question] Excuse me, Mr Khan, but many of the MRD leaders are on record as saying that they are ready for struggle, yet when the time comes for them to do so, they disappear. Does this not show that the MRD itself is the greatest obstacle to the restoration of democracy?

[Answer] (In a somewhat sour tone) The MRD itself does not constitute anything; it is a collection of different political parties. The MRD cannot be considered an obstacle to any struggle because the member parties have to decide to carry out the decisions. If any party or leader does not act in accordance with his own statements, as you have said, then the blame rests upon him, not on the MRD. You say that some of the leaders talk of starting a struggle; sir, making statements is one thing, and sitting in a meeting, reaching a decision and then carrying it out are quite a different matter.

[Question] Then how, Mr Khan, can the present stalemate in the country be ended?

[Answer] I believe in struggle, without which it is impossible to end the stalemate. Without struggle, the people can be deceived but they will not be allowed to share in the power. The only way to end stalemate and stagnation is to struggle.

[Question] Recently, veteran politician Mumtaz Daultana suggested that the government and political parties should start negotiations to end the current stalemate and offered his own services to this end. Do you think that Mr Daultana's services should be utilized for this purpose?

[Answer] I respect Mr Daultana; but someone who has been in retirement for a long time and has no contacts with the people should keep himself away from such things.

[Question] What are the possibilities of negotiations being started between the MRD and non-MRD parties regarding the restoration of democracy?

[Answer] MRD has been trying consistently to establish good understanding with outside parties but so far with no success. On our part, we have not

closed the door. MRD parties ask only that these other parties join the rulers or the MRD or form a united democratic front to try actively to restore democracy. We have high hopes for Nurani Mian and expect that after his return to this country, progress will be made in this regard. As for Pir Pagara, he has been cooperating with the present government for several years and in exchange has been receiving benefits from the government. His party and Jamaat-e Islami play the role of the enemies of the people and MRD parties do not expect anything from them. The Muslim League and Jamaat-e Islami have joined the martial law team. Farouq Maududi, son of Maulana Maududi, made a detailed statement clearly pointing out Jamaat-e Islami's antipeople role. We hope that Mr Bazenju will join the people's democratic struggle sooner or later; when he does, he will be welcomed by all of the MRD parties, which are always ready to talk with him concerning provincial autonomy. But we ask that he not make different policy statements on different occasions but formulate a definite policy. When he makes progress in this direction, he will be welcomed by everyone, especially at this time when Mengel and Khair Bakhsh Murri are both out of the country. Their absence can be compensated for by their joining the union of the country's democratic parties.

[Question] What part did the MRD play in ending the recent sectarian disturbances in Karachi?

[Answer] All MRD parties agree that these were regrettable incidents. Pakistan's 1973 constitution clearly states that all laws should be formulated in accordance with the Koran and the sunna. The constitution also specifies that this task should be undertaken by an elected parliament with the help of a council on Islamic ideology. The problem of Islamization is a serious one and cannot be entrusted to a nonelected government. The present nonelected government has now taken upon itself responsibility for promulgating the Islamic system, with the inevitable result that theological and religious problems are bound to arise. Thus, when the issues of ushr, zakat and noninterest banking are raised, differences break out among the people. We are of the view that Islamization is being used merely as a slogan; that is why sectarian differences keep breaking out. You saw that when lawyers, students and democratic parties started their struggle in Sind, the Frontier and Punjab, clashes were instigated among the people to divert attention from the real issues. All MRD parties appealed to the people and published a pamphlet exposing the conspiracy.

[Question] Are you satisfied with the present efforts to normalize relations between India and Pakistan?

[Answer] Our party's position on this matter is that friendship and cooperation between the two countries should be encouraged in accordance with the Simla agreement between India and Pakistan, peaceful cooperation and the Bandung principles. All disputes including the Kashmir problem should be resolved in accordance with the Simla agreement and the UN resolutions that preserve the integrity of the two countries. To a great extent, the inhabitants of the two countries share a common culture and have similar customs. When they celebrate Divali, we observe Shab Barat;

they sing bhajans, we sing qawalis [religious songs]. Our marriage customs are also similar. We see no reason for conflict and war between the two countries. We accept in principle the "no war" agreement with India. We want to accomplish all this in a friendly atmosphere and not in an atmosphere of defeat or under imperialist pressure. Only an elected government has the right to carry such important steps and agreements to completion. In principle, we are not against a "no war" agreement, but we are certainly against those objectives of the government that it is trying to achieve through such an agreement. We think that all this is being done under pressure from the U.S. Government.

The present government is unconstitutional and we do not agree with any promises it might make.

[Question] What is your party's position regarding the efforts being made through the United Nations to find a solution to the Afghanistan problem?

[Answer] Our party supports all peaceful negotiations conducted on the international level to solve the Afghanistan problem. Our party's stand is that Pakistan should talk directly with Russia and the Government of Afghanistan regarding the solution of this problem. Pakistan should avoid clashing with Afghanistan and Russia because Pakistan has suffered serious harm through such policies in the past and could be harmed again in the future. The present policy adopted toward Afghanistan is only in the interests of the Western countries and the United States. If a clash should occur, Pakistan's "allies" from across the seas will be of no use. Washington will not attack Moscow nor Moscow Washington. Our continued existence depends on recognizing the government of Babrak Karmal and being the first to find a solution to the problem. This will have far-reaching effects. In our view, we have relied solely on Western countries for our economic and defense needs. This policy will open many doors for us. It is in Pakistan's national interests to take full advantage of the situation.

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CSO: 4656/143

BRAZIL OFFERS TO PROVIDE INDUSTRIAL ALCOHOL PLANTS

Karachi BUSINESS RECORDER in English 17 Apr 83 p 1

[Article by Anwar Rajani]

[Text] Brazil wants to supply to Pakistan complete plants for the production of industrial alcohol, it is reliably learnt.

A three-member Brazilian team of experts is expected to visit Pakistan soon and study the question of supply of the plants.

Alcohol is produced from sugarcane molasses. Pakistan at present has about 6 lakh tones of molasses which is mostly exported abroad.

The Federal Government has already sanctioned two alcohol plants which are under implementation. These two plants are located in the Punjab. Their machinery is yet to be imported.

Of these, one plant is located in a sugar mill and the other is reported to be independent unit which will procure molasses from sugar mills and produce alcohol.

Pakistan is in need of industrial alcohol which is gaining importance in many countries due to its extensive use in place of petrol to run motor vehicles.

Brazil is a pioneering country in the production of alcohol for use in cars. This technology is fast becoming known in other countries. Most of the cars in Brazil are run with a mixture of 80 percent of petrol and 20 percent of alcohol which means a saving of 20 percent petrol imported from abroad.

According to informed sources, Brazil is also working on the production of a car engine which would run entirely on alcohol.

The same alcohol can be used in supplementing diesel and petrol for running trucks, buses and water pumps.

It may be mentioned here that one sugar mill in Pakistan has its own distillery which produces alcohol but the entire quantity is exported abroad.

## CORRUPTION IN BUREAUCRACY HIT

Lahore VIEWPOINT in English 7 Apr 83 p 8

[Text] Offering protection to the bureaucracy against what he decried as "the common tendency to bring the civil servants into disrepute and lay on their shoulders all the blame for the ills besetting the country," the CMLA-President has appealed to the Press and the people to be kinder to these gentlemen who represent the 'cream of our society.'

This is, in part, correct advice. Certainly, the bureaucracy carries awesome responsibilities--dealing with administrative, economic and even political matters that will make or mar the future of the country. Nor can all the blame be placed on the bureaucrats; other sections of society share responsibility for the mess in varying measures. And all bureaucrats should certainly not be tarred with the same brush because many of them, despite the strange environment created over recent decades, work not only diligently but honestly. It is, of course, also true that most of them either belong to what is regarded as the elite layer of our population or they consider themselves elevated to this position by gaining entry into the superior services. However, if generalisations have to be made, it may be said that only by shutting one's eyes can one fail to register the fact that much of the cream has gone sour.

The standards of efficiency and probity expected of the senior civil servants have, over the years, eroded steadily. The rot began to set in soon after partition. The old guard had inherited certain attitudes from their British masters--both good and bad. It was seen that many of the good points were soon lost in the scramble for power and pelf, while the weaknesses of the machinery that kept the raj in control became even weaker. For example, even in the British days civil servants dabbled in politics, but usually they did so at the behest of their masters and in order to further the ends of imperialism. After 1947, taking advantage of the inept political leadership thrown up by the Muslim League, the civil servants joined the political game on their own accounts. They sought plum postings because of the special services they rendered to their favorite politicians--including political canvassing, gerrymandering of elections, even kidnapping rival politicians. These gentlemen went on to take direct part in political activities, and some promoted themselves from the administrative to the political field.

At the same time, corruption at the higher level which had been exceptional in the old days almost became the general rule, particularly as the loot of evacuee



property offered opportunity for many to get rich. The system of licensing allowed the exercise of tremendous power; budding entrepreneurs made quick fortunes which they were ready to share with their official benefactors. Another temptation rarely resisted was the acquisition of landed estates. With all this, inevitably, standards of honesty and impartiality began to deteriorate. The proverbial steel frame has been corroded by the rust of corruption, and it no longer provides the expected support to the administration. It should, of course, be accepted that the civil service and its various cogs have been under various strains for many years--including instability and insecurity, political pressures, the burdens of an economic situation that have made living more difficult for everyone. All these problems require careful analyses so that proper solutions can be found.

But, obviously, it will not be possible to find any solution if we consider it convenient to sweep the matter under the carpet. Let it be remembered that the problem relates to the administration as a whole, and failure to set things right can only allow the country to drift towards an administrative breakdown of the sort that was witnessed in Kuomintang China.

CSO: 4600/576

# MINISTER'S STATEMENT ON CLOSING OF NEWSPAPER REFUTED

Lahore VIEWPOINT in English 7 Apr 83 p 15

[Text] Mr Khalid Chaudhry, Unit Chief of the Punjab Union of Journalists in the defunct daily MUSAWAAT, Lahore, has taken exception to the statement made by Raja Zafarul Haq, Federal Minister of Information and Broadcasting, that it was the owners, not the Government, which had closed down the paper both at Lahore and Karachi.

Mr Chaudhry regretted at a Press conference on Saturday that Raja Zafarul Haq had, in an interview with a Lahore journal, come out with a statement which was contrary to facts. Giving details of what he described as "the correct position," Mr Chaudhry said that the daily MUSAWAAT Lahore and Karachi was closed down by the respective Provincial Governments on October 16, 1979, under the Press and Publications Ordinance.

## Banned Again

Continuing, Mr Chaudhry said that the Lahore management of the daily had gone to the High Court which had ordered its restoration. Hours later, the newspaper was again banned by the Martial Law Administrator, this time under MLR 39, and it could not be brought out the following day. The local management again challenged the prohibition orders in the Lahore High Court. Hearing was continuing when, in March 1981, the Provisional Constitutional Order curtailed the powers of the high courts and the case naturally could not continue.

Mr Chaudhry also quoted the owners of the daily MUSAWAAT, including Begum Nusrat and Miss Benazir Bhutto, as saying that they wanted to bring out the newspapers but could not do so because it had been banned under Martial Law.

Going back to Raja Zafarul Haq's interview, Mr Chaudhry refuted the "allegation" that hundreds of thousands of rupees were outstanding against the daily. He said the position was quite the reverse. "In fact, it was the Government against whom many bills were outstanding at the time of the newspaper's closure." When Martial Law was imposed on July 5, 1977, advertisements to MUSAWAAT were totally stopped but by that time hundreds of thousands rupees were owed by the Government in advertisement revenue and these arrears had still not been paid, the employees of MUSAWAAT would have got their entire dues," he said.

Mr Chaudhry also described Raja Zafarul Haq's claim that the MUSAWAAT employees had been absorbed elsewhere as "misleading" and said that out of the 550 employees of the daily at Lahore and Karachi, a large number was still jobless. Some of the jobless employees, he added, were leading "miserable lives" and Pervaiz Chishti (reporter), Hakim Taib Rizvi, (proof reader) and Mohammad Siddique (calligraphist) had died in great penury. Financial distress had forced quite a few MUSAWAAT employees to migrate to Western countries.

CSO: 4600/576

## BRIEFS

PAKISTAN AIR FORCE STATION BUILT--Pakistan is constructing an underground air force station in the Hajipir area of Pakistan occupied Kashmir. PTI, quoting reliable sources, says that the Pakistan Air Force authorities have already acquired 4,500 acres of land for the purpose. The reports say that Chinese and American engineers are assisting the Pakistanis in the construction of the air force station. [Text] [BK010855 Delhi Domestic Service in English 0240 GMT 1 May 83]

EARLY ELECTIONS CALLED--Islamabad--MRD leader Khan Abdul Wali Khan has said that conditions existing in the country were conducive to holding early elections and transfer of power to elected representatives, and warned that if polls were hindered any longer, the country would face grave danger. Addressing NDP [National Democratic Party] workers at Bannu on Saturday, Mr Wali Khan said the government must honour the sanctity of the 1973 constitution, which was based on national consensus, and hold elections under the supervision of the Supreme Court. Mr Wali Khan lashed at what he alleged as "terrorist activities" of the Islami Jamiat-i-Tulaba in Peshawar University and Peshawar colleges and observed that the Jammāt-i-Islami was encouraging these activities through its student organisation. He claimed that Jamiat students were securing sophisticated weapons, which they had used in last week's student clashes in Peshawar. Meanwhile Jamaat's NWFP general secretary, Mazoor Hussain in an earlier statement alleged that MRD had conspired in the attack on "peaceful Jamiat students in Peshawar campuses." He said the attack on 26 April was planned at the residence of a political leader who had stored a big quantity of sophisticated arms. Mr Manzoor Hussain said MRD was giving vent to its "grudge against Islam and Islamic forces in the country." [By correspondent] [Text] [GF021110 Dubayy KHALLEJ TIMES in English 2 May 83 p 20]

EDUCATED JOBLESS FORM ASSOCIATION--Educated but jobless youth have set up a national organisation to urge the Government to provide jobs to educated persons "whose rate of unemployment is increasing at an alarming rate." Mr Zubair Chaudhry, Chairman, Pakistan "Unemployees" Association, told a news conference the other day that the number of graduates out of job exceeded 100,000 and there was no sign of any improvement. He attributed the situation to the lack of proper technical education and training and said that if the conventional system of education continued "we are bound to produce many more graduates who will not be able to find jobs." He was critical of the performance of the Employment Exchanges and charged that it gave 80 percent of the jobs through illegal gratification. This has been brought to the notice of the authorities again and again but it had proved an exercise in futility. The Association, which held elections recently and nominated four provincial conveners, has a good number of educated jobless girls as its members. [Text] [Lahore VIEWPOINT in English 7 Apr 83 p 16]

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